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## NEWS SUMMARY

GENERAL BUSINESS

### Guerilla battle flares in Beirut

Rival Palestinian groups fought with machine guns and grenades for 11 hours in refugee camps to the south-west of Beirut yesterday. Lebanese security forces put the casualties at 12 guerrillas killed and 20 wounded, with several civilians also thought to have been wounded.

### Israel package

In Israel a drastic, belt-tightening economic package has been presented by the new Likud Government. It raises prices of basic foodstuffs, fuel, water, gas, public transport and electricity by an average of 25 per cent. The Government Budget—prepared by the previous Labour administration—is also cut by £160m.—about 2 per cent. Page 4

### Liberal wary over pact

The Government's failure to secure a firm deal with the unions on pay is expected to result in the Liberals insisting that a "break" clause be inserted in the next stage of the Lib/Lab pact. A majority of the party's 13 MPs is believed to be unwilling to commit the party for a full session because of the danger of a pay explosion. Back Page 4

### Big search for Belfast children

Police and the army were last night searching for a minibus-load of children from the strongly Republican Andersonstown area of Belfast which vanished while heading south for a holiday. They failed to rendezvous with another group of youngsters at Dublin Airport and were last seen heading for the border with the Republic. There is no record of them crossing, however.

### Runaway editor contacts Scargill

Mr. Maurice Jones, editor of Yorkshire Miner, fled to East Germany with his family because of police threats against his wife and two-year-old daughter. The allegation is contained in a letter to Mr. Arthur Scargill, the Yorkshire miners' leader, in which Mr. Jones claims he was also warned about "politicising" the miners through his newspaper. Page 12

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### Briefly...

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## Post Office should be two corporations report recommends

BY JOHN LLOYD, INDUSTRIAL STAFF

The Report of the Post Office Review Committee, to be published on Wednesday, is certain to cause considerable embarrassment in Government circles and provoke anger within the Post Office's trade unions.

The report is understood to be strongly opposed to workers at the Post Office Board, a plan to split the Post Office into two separate corporations and the unions are wholly committed, and which is scheduled to come into operation later this year.

The Committee (known as the Carter Committee after its chairman, Mr. Charles Carter, Vice-Chancellor of Lancaster University) is understood to recommend:

- The splitting of the Post Office into two separate corporations—"The Post Office," which will handle mail, and the "Telecommunications Authority."
- The creation of a Council on Post Office and Telecommunications Affairs to advise the Government on the work of both corporations and the quality of their service.
- The delaying of plans to introduce worker directors on the Board for an indefinite period.
- The adoption of a much clearer and more flexible pricing policy aimed at attracting a larger volume of business.
- The retention of two daily postal deliveries.
- The replacement of first and second class mail by "priority" and "standard" classifications.
- The integration of parcels as closely as possible with letter traffic.
- The possibility of abandoning the carriage of parcels over 3 kilograms if the parcels ser-

## Unifying

The major recommendation of the Carter Committee is the proposal to split the two major functions of the Post Office, and to have, as the only unifying link between them, the purely advisory Council on Post Office and Telecommunications Affairs.

It is understood that the latter body will be a much strengthened version of the Post Office Users' National Council, the Government-appointed monitoring body, and that Lord Reddie, its chairman, will become chairman of the new council.

The argument for separating the postal from the telecommunications side has been accepted by the Office for some time. It is felt

## Decision to build Drax B turbine order for Parsons

BY MAX WILKINSON

THE GOVERNMENT has decided that a £600m. power station at Drax, near Selby, must be ordered before it is needed and that the turbine generator part of the contract, estimated to cost £125m., should go to G.A. Parsons, part of the Reynolds Parsons Group.

A statement on the decision is expected in the Commons today, from either Mr. Wedgwood Benn, Secretary for Energy, or Mr. Eric Varley, Secretary for Industry.

Mr. Wedgwood Benn told Mr. Clyde England, chairman of the Central Electricity Generating Board last Friday, of the Cabinet's decision to go ahead with Drax B power station.

The Board will now wait to hear the details of the Government's views in writing before taking its own decision on placing the contract. In theory it could refuse to place the order, or insist that it goes out to open tender, but neither course is considered very likely.

However, Mr. England has

already made it clear that he does not favour the early ordering of power stations in the absence of a rationalisation of the industry to secure its long-term future.

Even if the order is placed with Parsons, the General Electric Company, which also makes turbine generators, is strongly considering putting in a competitive tender for the work.

## Outline plans

The two boiler-making companies, Clarke Chapman of Gateshead and Babcock and Wilcox, have already agreed outline plans to merge their power engineering divisions.

The formula agreed is a new company with 40 per cent Babcock shareholding, 30 per cent for Clarke Chapman and 30 per cent for the National Enterprise Board.

The decision to order Drax in the absence of a merger plan for the turbine generator plant of GEC and Parsons is a defeat for Mr. Eric Varley, the Industry

Secretary, and his Department. However, the Government has decided that it cannot stand aside when substantial redundancies are threatened in Newcastle and on the Clyde.

The order for turbine generators for Drax will save hundreds of jobs on Tyne-side but infuriate GEC.

It also means a complete upset of a recommendation by the Government's "Think Tank" that the power engineering industry should be rationalised before contracts were awarded.

A spokesman for Parsons said: "After all these false dawns over the past few months we will want to see this decision signed before believing it."

"But if it is true, and it looks as if it is, we are delighted."

It provides us with the work to retain a very highly experienced and dedicated workforce. Without this we would have been forced to declare redundancies on a pretty massive scale."

The Drax B affair, Page 10

## Ford unions present pay claim

BY KEITH LEWIS, CITY STAFF

THE MANAGEMENT of Ford Motor Company has been presented with a heavily-researched and intricately sophisticated wages claim from its trade unions, who argue that the company "can afford to meet this claim, down to the last comma, and still remain one of the most successful companies in Britain."

In what is thought to be an unprecedented move, the Ford unions, headed by Mr. Moss Evans, have turned to the City and enlisted the help of stock-brokers Phillips and Drew to advise on the Ford accounts.

Under particularly heavy fire is Ford's version of accounts adjusted from an historic cost to current cost basis. Quoting one of Phillips and Drew's main conclusions, the CCA figure of 55.6m. profits after tax "seriously understates" the real profits of the year—the unions say that Ford is now so profitable that it has tried to obscure

this by using so-called inflation accounting.

The brokers' report, included in the S2-page document, states that the £3.6m. figure ignores the effect of inflation on the company's net liabilities. "We regard the figure of 55.6m. shown in Ford's current cost accounts as a meaningless indication of the results of the year's operations so far as shareholders are concerned."

Figure provided by Phillips and Drew arrived at after what they term a preferable method of adjustment, indicates after-tax profits of 527m. with 61m. as the surplus available for appropriation.

The unions, which say they were denied access to certain information, attack Ford for its lack of capital investment in this country. They argue that, adjusted for inflation, last year's capital expenditure was only two-fifths of the 1970 figure, while the sacrifice in wages has enabled the company to pile up unprecedented profits.

They say that Ford has increased its selling prices by over 40 per cent, since 1973 while unit wage costs are less than in 1973.

As regards the immediate future, the unions estimate that Ford U.K.'s volume will rise by between 5 and 10 per cent in 1977; that group sales will be around a third higher at £2,150m. to £2,200m.; and that pre-tax profits will be £200m. against the £121.6m. reported for 1976.

A spokesman for Ford yesterday declined to comment on the claim and said that the company will respond when management next meet the unions, on September 16. He added that such a detailed claim would have to be gone into very carefully. Any new agreement is scheduled to take effect on October 21.

## Ryder speaks of payment

BY MARGARET REID

LORD RYDER, the retiring chairman of the National Enterprise Board and former chairman of Reed International, spoke last night of a £48,000 he received in 1975 after leaving Reed. He had referred last week to the payment as a post-retirement gratuity from an unnamed third party.

Reed also said last week that the executive of the Canadian subsidiary had apparently not been authorised to make this payment to the third party and that Canadian accountants and lawyers had been called in to investigate the whole matter.

In a statement at the same time last week, Lord Ryder said he had believed the money was a gift from the third party, resulting from his long period of service with that party. But, being told on June 22 that the

## Mechanised mail sorting 'may lose £118m.'

By Kevin Done, Industrial Staff

THE POST OFFICE'S letter mechanisation programme is a "financial disaster" that could make losses of up to £118m. over the life of the project, according to previously unpublished evidence given to the Post Office Review Committee.

The results of the analysis carried out by the Mail Users' Association, a consumer body representing large users of the postal service, contrast sharply with earlier financial estimates prepared by the Post Office.

The corporation still maintains that letter mechanisation, which began in earnest in the late 1960s, could produce savings of up to £50.8m. over the 20 years to 1983.

But in evidence that has received particularly close attention from the Post Office Review Committee, the association says that it is unlikely that the letter mechanisation programme will ever cover its cost.

"If it is judged from the mid-1960s it is financial disaster," says the report. It does not suggest that the scheme should be scrapped, however, as the costs of abandoning mechanisation at such an advanced stage in the programme would be higher than the costs of continuing it.

"The postal business appears to be locked into the scheme," it says.

But the Association accuses the Post Office of having been too prone to making optimistic assumptions about the project, which in practice is pushing up the fixed costs of the service during a period when the volume of traffic it handles has been steadily falling.

In costing the scheme the Post Office had made "major blunders," it claims. The original assumptions were too optimistic and the project had taken too long to implement.

The letter mechanisation programme was frozen in 1972 by union opposition and only restarted three years later. The association accuses the corporation of then buying in mechanisation at too high a price and suggests the money would have been better spent buying staff agreement to a work and traffic measurement scheme.

Even if such a scheme had brought only a slight improvement in the productivity of staff to traffic it would have yielded far better returns than mechanisation. There had been a fall in productivity of about 12 1/2 per cent in the postal service since 1970.

Much of this thinking now appears to have been accepted, at least privately, by the Post Office. Its latest confidential 10-year business plan for posts says there must be a sharp and continuing rise in productivity in the next decade.

Cost of mail mechanisation, Page 8

## Silkin cannot oppose longer fishing ban

BY OUR FOREIGN STAFF

MR. JOHN SILKIN, Minister of Agriculture and Fisheries, is expected to risk the wrath of the British fishing industry by strongly supporting EEC Commission proposals to conserve fish stocks at a meeting of the Community's Council of Ministers that starts in Brussels today.

The proposals could mean a ban on all herring fishing in the North Sea for two more years after the unilateral British herring ban expires at the end of this year.

The prospect of such an extended ban is unlikely to be welcome to the predominantly Scottish U.K. herring fleet. But Mr. Silkin would have difficulty in opposing the Commission's proposal as it was the British Government that fought so strongly for a temporary ban this year.

One possibility is that the U.K. will suggest a compromise which would allow the ban to remain in force until scientific evidence showed that stocks had been sufficiently restored to allow fishing to resume.

Countries like Germany, Belgium and the Netherlands, which have opposed the British ban that went into force at the beginning of this month, may finally come round to the idea of a longer ban, it is thought in Brussels.

## Isolated

The new Irish Government, less than a month in office, is now isolated on this emotive issue, following last week's adverse ruling by the European Court on the previous fishery conservation measures. The court ruled that Dublin's ban on large vessels fishing within 50 miles of the Irish coast discriminated against other EEC countries.

## Peak

The Dutch and Germans are likely to insist that it stays in Ireland, which is reluctantly lifting the ban to-day, is now in this extending the ban to cut the humiliating position of having to get the Commission's herring catches, which traditionally take place in January and February.

As part of a wider package of conservation measures, the Commission has said that direct industrial fishing—fishing solely for the manufacture of animal feed or fertilizer—should not be permitted. Neither should the landing of any herring caught in the course of industrial fishing.

Mr. Silkin is likely to support these steps. He will oppose any moves which could deprive the States of the right to take individual action if their interests are threatened by over-fishing.

He also faces a tough fight on Tuesday when he tries to get better prices for the butter and cheese he sends to the U.K. These prices have not changed since January 1976, and are only about half the Common Market intervention price.

Production and shipping costs have gone up in the meantime by about 24 per cent for butter, and 28 per cent for cheese, but

Editorial Comment Page 10

## DISPERSAL FACTORS IN NORTHAMPTON

**gelders**  
The location of Northampton is such that it encompasses approximately 50% of British industry within a radius of 100 miles. Northampton's industrial areas are well planned with lots of woodland and give a real impression of being out in the country, although big town facilities are locally available. The fact that housing facilities were available was of utmost importance on the social side.

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Arabella by RONALD CRICHTON



Ingvar Wixell and Kiri te Kanawa  
Kanawa sang her first demands. The words (the opera is sung in German by a non-German cast) were mainly clear and only greeted by a naturalness further experience of the role will bring. More or less everything was there—only the lights were not switched on. This Arabella looks and moves as handsomely as one would expect, but would be still hand-somer without such elaborate hair-dos. The governess streak yet formed into the more signs of warmth and inde-

pendence—and with some of the worldliness Hofmannsthal stresses in his story *Leslie*, out of which he developed the libretto. It was a mistake, surely, though one easily put right, to turn coy at precisely the moment when Arabella needs to be at her most serious—when she offers Mandryka the glass of spring water. The Mandryka, Ingvar Wixell, is a half-success, singing much of the music strongly and incisively, but hardly radiating the

Promenade by CLEMENT CRISP

It is significant that all four pieces in Thursday's Rambert programme were created in 1976: whatever the changes brought by time, one thing remains constant—Rambert looks to the future. The idealism of this policy is tremendous and worth saluting, even if the realisation may sometimes make the hackles rise and the spirits sink. This was my reaction to one of the works, new to London, shown in Thursday's final programme at the Round House season. Called *Musical Offering*, and clinging vampirically to Bach, it is Zoltan Imre's surreal view of what I suppose to be family life. Mama is first discovered at her sewing machine industriously creating an acreage of red fabric; papa is up a ladder, but soon descends to the wardrobe whence issues a young woman who rolls a large mirrored ball at him. Thereafter they go their own preposterous and under-choreographed ways, while Bach is provided to try and help us excuse a tedious parade of emotional *sturm und drang* which would not have disgraced the German experimental cinema of the late 1920s.



Lucy Burge and John Chesworth  
and engaging dances. Three couples and an odd-woman-out window in which a female Crumb score less fiercely Mr. Imre relents at the last moment, this the stage of its clutter and produces a sequence of choreography that—albeit relying on feeling, writhing and fainting in coils—has an intriguing and promising feeling for movement. The programme also brought the first London showing of Christopher Bruce's *Promenade*, wherein Bach is again used, but in this case two flute and harpsichord sonatas are the basis for sprightly

Shakespeare Theatre  
Henry VI part III by B. A. YOUNG

brings the Wars of about the number of years that complete characters they would need if (as I hope may happen) the cycle were to be completed with *Richard III*. As this Richard, Anton Lesser is very good—his deformities suggested rather than shown, his bitter humour and his mercurial temperament combined in a powerful personality. This is this actor's first performance since leaving RADA and it bodes well. Alfred Lynch plays lecherous Edward, his love of luxury denoted in his white costume and the public caresses of his queen (Anne Raitt), who sits on his lap while he occupies the throne. To sum up the experience of three nights, the production seems to me to have exceptional merit. Terry Hands has abandoned the somewhat oblique approach to Shakespeare that has characterised some of the company's work lately, and offers the pure Shakespearean text presented in a style that Burbage himself would have recognised. This not only helps to justify the play, so often denigrated for its apparently sprawling composition, but sets a standard by which current Shakespearean production must now be judged. I saw the company's production of *The Wars of the Roses* cycle four times about a dozen years ago and greatly enjoyed it, but this must set it higher now that period authenticity is so highly regarded, both in drama and in music.

For his *Te Deum*, the Albert Hall has about everything except the separation of organ and orchestra—the big battalions filled the platform and the tiers of seats behind, and as the audience obligingly filled the hall with only a slight trace of echo. Robert Tear, in excellent voice, sang the tenor solos. It seems still to be taken for granted that, because they are written for simple, massive effect, the Handel anthems "Zadok the Priest" and "Let thy Hand be strengthened" are suitable for performance by giant choirs. But Handel's enormous skill lay precisely in making the small number of voices (47, if Dean of King's College Cambridge appears for George II's coronation in Westminster Abbey) has many pages of ripe English sound like many more. With 13 harmony, rich as loam.

Albert Hall  
Te Deums by RONALD CRICHTON

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the Galleries  
A Summer Miscellany by WILLIAM PACKER

is manifestly other than the real thing; and yet, in a sense, which is surprising and a little unsatisfactorily, it is the real thing. For as blight has finally each image is simply itself re-constituted, but garbled, shat-tered, confused, or else the victim of a certain special procedure. We accept the images as they are, but we do not accept the mass-produced commonplace of our lives; but why, therefore, Soho, moreover, published institutions like Flowers, Annelly Photographers' Gallery, generally a brisk walk a most. The touch for the appetite for the figure. galleries have lately ost side by side in rt, an alley off Long in by no strangers as Anthony Stokes, so strange to the he was among the nouvelle vague to turning the much-stage Gallery until Year ago. His new hatched started, and it is running a gramme of short o keep things tick-ling this slack his stable of young ve, reflecting his ve judgement, and ill be worth moun-losely in the coming artists who will be him are: Stephanie illippa Encobichon; Single stamps are remade, like e; Tim Head; Tony e; a Tolly Cobbold; Nicholas de Ville; plin; and Judy Royen's new gal-ly the pair, having at must now seem a cupboard in Wal-son, perhaps, but practical of it, and the more familiar the spring and her pre-extended until the first London work by Jack y's collages are objects, meticu-ather beautiful and ey are representa- like, for they pre-isible image which

day expressionism, though in somewhat quieter and more romantic a version. Henry Inlander's, latest paintings are concerned for the most part with the figure in an interior setting, the models either himself or his wife. But intimate domesticity is hardly the point; the figure, a shadowy presence at the picture's edge or against the light, informs the space without dominating it, while wall, window and the landscape beyond, flat to the picture-plane, are set in that nice opposition peculiar to the painter, of surface against space, mark against image, substance against illusion. The self-portraits are more particular, dramatic self-presentation glaring out at us from the shadows, very strongly drawn and modelled, inevitably self-regarding but perhaps a little too self-conscious. The self-portrait is a difficult and powerful form but dangerous for its comic potential. Mr. Inlander occupies the newly enlarged lower galleries of the New Art Centre until the end of July.

This announcement appears as a matter of record only.

July 13, 1977

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OVERSEAS NEWS

Muzorewa receives strong welcome in Salisbury

BY TONY HAWKINS

TENS OF thousands of blacks fanned out in Salisbury this morning to welcome back Bishop Abel Muzorewa, leader of the United African National Council (UANC), from a foreign tour. Police estimated the thronging crowds at well over 100,000, and some estimates put the crowds as high as 200,000.

SALISBURY, July 17.

Mr. Sithole, by-passing the Patriotic Front, which controls the guerrillas. The Bishop said it was now time for active politics. He was seeking an "immediate settlement" Britain and Mr. Smith must recognise that the UANC commanded the support of the vast majority of Africans in Rhodesia.

Israel makes major food subsidy and defence budget cuts

BY L. DANIEL

JERUSALEM, July 17.

A DRASTIC belt-tightening package—the first to be presented by Prime Minister Menachem Begin's Likud Government, but possibly not the last—was announced today by Finance Minister Ezer Weizman.

From midnight, prices of basic foodstuffs and their derivatives (such as bread and milk) will go up by an average of 25 per cent, as will the price of water, public transport and all types of fuel, including gas and electricity. Simultaneously, the Government will reduce the price of wheat, originally prepared by the defeated Labour administration but never passed—was cut by £100m, or close to 2 per cent, the main reduction being in the Defence Ministry's expenditure.

Respite for Soares over agrarian law

BY DIANA SMITH

LISBON, July 17.

THE MINORITY Socialist Government's proposed revision of the agrarian reform law designed to lessen Communist domination of Portugal's grain belt may now have a safe passage through Parliament. A week of feverish back-stage negotiation with opposition parties has given the Prime Minister, Sr. Mario Soares, a respite from the Parliamentary crisis hanging over his administration.

W. German proposal on East-West force talks

By Jonathan Carr

BONN, July 17.

WEST GERMANY has made proposals to the U.S. aimed at bringing progress to the East-West force reduction talks (MBFR) in Vienna, even if negotiations between the superpowers on strategic arms limitations remain stalled.

The Chancellor said he could well imagine that the Soviet President, Mr. Leonid Brezhnev, would be thinking on similar lines when he visited Bonn, probably in the autumn. This would not mean that mutual force reductions would be easy to achieve—rather that for a time the emphasis would pass from the strategic arms talks and towards the MBFR.

Egypt alters course in its defence strategy

BY MICHAEL TINGAY

CAIRO, July 17.

SAUDI ARABIA is committed to paying for the development of Egypt's armed forces over the next five years, President Anwar Sadat said this week-end in a speech to the central committee of the Arab Socialist Union. Also in his speech Mr. Sadat said that the latest Egyptian defence spending will be reduced to 10 per cent of the national income over the next four years.

Sri Lanka Press strike

BY K. K. SHARMA

COLOMBO, July 17.

THE LATEST issue in Sri Lanka's bitter general election campaign—a strike by journalists working for the Government-controlled Associated Newspapers Group, remained deadlocked yesterday when many journalists said they would defy a management notice to return to work immediately.

The strike against Associated Newspapers, which brings out the English-language Ceylon Daily News, Sunday Observer and the Sinhalese Dinamina began on Friday, six days before the country's first election in seven years.

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New York blackout post mortem

BY STEWART FLEMING

NEW YORK, July 17.

MAYOR Abraham Beame and several New York city politicians toured looted areas of the city over the week-end and faced angry recriminations from small business owners, many of whom claim to have lost everything in the chaos which followed last week's electrical blackout in the city.

are all the worse because of the heatwave which has hit the city. Yesterday the temperature hit 88 degrees Fahrenheit in a narrow alleyway which matched the previous high for the day hit in 1870. Another sweltering day is forecast for today.

TEHRAN DAILY 09.55 NON-STOP

This summer, our non-stop flights to Tehran run right through the week. Leaving Heathrow at a highly convenient 09.55. Arriving in Tehran in time for dinner. And all with the comfort of a 747. Ask your travel agent about our non-stop flights, or any of our eighteen flights a week to Tehran.



Alaska pipeline allegation

BY OUR OWN CORRESPONDENT NEW YORK, July 17.

THE National Transportation Safety Board, the U.S. agency investigating the explosion which destroyed pump station eight on the Trans-Alaska pipeline just before it enters the Chukchi Sea, has suggested that pipeline employees be subjected to follow written procedures prior to the disaster.

Somali-Soviet rift silence

By James Burton

THERE WAS no official confirmation in London yesterday of a newspaper report that Somalia has ordered all Soviet advisers to leave the country. Nor was there any announcement from Mogadishu, the Somali capital, as might have been expected in the event of a major break with the Soviets.

COMPANY NOTICES

DIVIDEND NOTICE TO THE HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS FOR COMMON STOCK OF SHARP CORPORATION (SHARP KABUSHIKI KAISHA) (Formerly Harikawa Electric Co. Ltd.) DESIGNATED COUPONS CASH DIVIDEND COUPON NO. 34 STOCK DIVIDEND COUPON NO. 35

(Action Required on or Prior to November 30th 1977) The Board of Directors of Sharp Corporation, Japan, has declared a dividend of 25 yen per share on the common stock of Sharp Corporation, Japan, for the year ended June 30, 1977.

Table with 2 columns: Description of shares and Dividend payable. Includes rows for 50 and 100 Depository Shares.

THE BRAZIL FUND S.A. SOCIETY OF INVESTMENT IN BRAZIL INCORPORATED IN BRAZIL. U.S. \$100,000.00 4 1/2% CONVERTIBLE DEBENTURES 1980/1985.

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The undersigned announces that as from 15.7.77 at Kestelands, 17, Spuistraat 172, Amsterdam, div. cv. no. 9 of the CDRs J. Lyons and Company Limited 7% CONV. RED. CUM. PREF. each repr. 50 shs and 500 shs will be payable with Dfls. 5.15 resp. Dfls. 51.50 (re price 15.1.77-14.7.77, being 2.45p p.sh.).

THE BRAZIL FUND S.A. SOCIETY OF INVESTMENT IN BRAZIL INCORPORATED IN BRAZIL. U.S. \$100,000.00 4 1/2% CONVERTIBLE DEBENTURES 1980/1985.

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FINANCIAL TIMES CINEMA. All enquiries to: E. J. Dorner, Cinema Manager, The Financial Times, Bracken House, 10 Cannon Street, London EC4A 3BY. Tel: 01-248 8000 (ext. 570).

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO. In the Matter of KING RESOURCES COMPANY and INTERNATIONAL RESOURCES LIMITED.

NOTICE AND INSTRUCTIONS FOR VOTING TO HOLDERS OF COMMON STOCK OF KING RESOURCES COMPANY AND INTERNATIONAL RESOURCES LIMITED.

NOTICE TO HOLDERS OF COMMON STOCK OF KING RESOURCES COMPANY AND INTERNATIONAL RESOURCES LIMITED.

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NOTICE TO HOLDERS OF COMMON STOCK OF KING RESOURCES COMPANY AND INTERNATIONAL RESOURCES LIMITED.

NOTICE TO HOLDERS OF COMMON STOCK OF KING RESOURCES COMPANY AND INTERNATIONAL RESOURCES LIMITED.

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT 1947. IN THE MATTER OF THE COMPANIES ACT 1947.

ART GALLERIES

MALL ART GALLERIES. The Mall, London. Shows of paintings, sculpture, etc.

CLUBS

GANGWAY 88 DANCE STUDIO. NEW STRIPTEASE. Shows of dancing, etc.

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FINANCIAL TIMES CINEMA. All enquiries to: E. J. Dorner, Cinema Manager, The Financial Times, Bracken House, 10 Cannon Street, London EC4A 3BY. Tel: 01-248 8000 (ext. 570).

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FINANCIAL PROPERTY LIMITED. Shows of property, etc.

# N. Sea oil boosts U.K. exports to W. Germany

BY HAWTIN

Exports of North Sea Oil to Germany have provided the impetus for this strong increase in sales in the Federal Republic. Soaring sales in the raw materials sector offset declines in agricultural products and semi-manufactures and a rather slower rate in deliveries of manufactured goods.

There is no doubt that the oil boom in Germany has helped to boost Britain's exports to the Federal Republic. The wholly owned German export goods sector is growing at almost 18 per cent in the first five months of this year—almost double the rate of the sophisticated manufacturing goods.

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# 30m. loan for Thistle Field

BY DAFTER, ENERGY CORRESPONDENT

THE BANK has agreed to provide a £30 million loan to help fund the development of the Thistle Field in the North Sea.

The loan is part of a £100 million package of financing for the field, which is owned by the consortium of British and Dutch companies.

The consortium is led by the Dutch company, Elf, and includes British Petroleum and Shell.

The Thistle Field is one of the largest oil fields in the North Sea and is expected to produce up to 100,000 barrels of oil per day.

The loan will be used to finance the construction of the production platform and the installation of the necessary equipment.

# Acts on motor pact

BRUSSELS, July 17.

THE EC Commission has issued a decision on the Motor Vehicle Pact between the United Kingdom and the European Community.

The pact allows for the importation of motor vehicles from the UK into the EC without the usual customs duties.

The Commission has ruled that the pact is compatible with the rules of the Common Market.

The decision is a significant step towards the liberalization of trade in motor vehicles between the UK and the EC.

# neers aim 300m. sales

Engineering industry

Engineering industry aims to reach 300 million in sales by the end of the year.

The industry has set a target of 300 million in sales for 1977, up from 250 million in 1976.

The target is based on a combination of increased production and higher prices.

The industry is confident of meeting the target, despite the challenges posed by inflation and a weak economy.

# U.K. housewares success at Tokyo exhibition

BY CHARLES SMITH

MORE THAN £500,000 worth of British housewares were sold at an exhibition in Tokyo last week.

The exhibition was a success for the British Export Marketing Centre, which organized the event.

The success of the exhibition is a testament to the quality and variety of British housewares.

The exhibition also helped to establish new trade links between the UK and Japan.

# Greek, Turkish talks

BY OUR OWN CORRESPONDENT

ATHENS, July 17.

GREEK AND TURKISH industrialists have agreed to increase their trade.

The agreement is a result of talks between the two countries' industrial associations.

The agreement will lead to an increase in trade between Greece and Turkey.

The two countries are expected to see a significant rise in industrial exports.

# Contracts

BY OUR OWN CORRESPONDENT

ATHENS, July 17.

THE second contract valued at £200,000 has been awarded for the construction of the Garissa Bridge in Kenya.

The contract was awarded to a consortium of British and Kenyan firms.

The bridge is a vital link between the two sides of the Garissa river.

The construction is expected to be completed by the end of the year.

# Japanese plan fibre cartel

TOKYO, July 17.

TORAY Industries said a group of 10 Japanese synthetic fibre manufacturers has decided to form an export cartel.

The cartel is designed to coordinate the export of synthetic fibre from Japan.

The cartel will help to stabilize the market and ensure a steady supply of fibre.

The formation of the cartel is a significant development in the synthetic fibre industry.

# World Economic Indicators

INDUSTRIAL PRODUCTION

	May 77	April 77	March 77	May 76	% Change on year
Italy	134.9	124.0	138.7	126.7	+ 6.4
U.S.	131.5	130.1	128.8	123.6	+ 6.5
U.K.	103.2	103.1	103.3	102.1	+ 1.1
W. Germany	122.4	114.7	112.7	116.2	+ 5.3
France	127	129	128	112	+ 4.1
Holland	121	116	114	118	+ 2.5
Belgium	March 77	Feb. 77	Jan. 77	March 76	+ 5.3
	120.3	116.9	110.7	114.2	
Japan	Feb. 77	Jan. 77	Dec. 76	Feb. 76	+ 8.0
	127.7	128.8	128.8	118.2	

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Shares of the Stock are available in the Exchange. Statistical Service and copies may also be obtained. Full business hours on any weekday (Saturdays up to and including 1st August 1977) from—

Messrs. Occidentale pour l'Industrie et le Commerce, Leadenhall Street, London EC3A 2BA, and Messrs. Seabag & Co., 10 Victoria Street, London EC6N 8DX.

# Australian EEC trade supremo

By Kenneth Randall

CANBERRA, July 17.

THE PRIME Minister has created a new portfolio in his government, minister for special trade negotiations with the European Economic Community.

Mr. John Howard was sworn into the job today after being minister for business and consumer affairs since the Fraser government took office.

Although he gave little indication of how the new job and its associated department will function, Mr. Fraser said that the need for a high level appointment of this kind had become clear during his recent visit to Europe.

He said Mr. Howard's appointment had been made because Australia needed to be represented at the highest level, on a continuing basis, in the bilateral trade negotiations with the EEC.

Mr. Howard will conduct his first round of negotiations in Europe in October and November, covering as Mr. Fraser puts it, "the totality of Australia's trading relations with Europe, including agricultural items, industrial products and the supply of raw materials" and with each individual member as well as the Commission in Brussels.

# Tanker activity reduced

BY OUR SHIPPING CORRESPONDENT

WITH THE New York market

units for discharge at Taiwan at around worldscale 30-31, and for the Philippines an 85,000-tonner was fixed at worldscale 42.

There was minimal inquiry for clean tonnage and no fixtures were reported.

Lambert Brothers Shipbroking reports that the continued lay-up of tankers is beginning to be felt with some charterers having difficulty in securing the desired size of vessel at the required time.

Chinese charterers were active in securing several 100,000-ton units for discharge at Taiwan at around worldscale 30-31, and for the Philippines an 85,000-tonner was fixed at worldscale 42.

# Soviets regret Lucas veto

By David Satter

MOSCOW, July 17.

THE SOVIET UNION has expressed its regret over the refusal of the British Government to approve the sale to the Soviet Union of a high technology automatic fuel injection system for use in the Soviet TU-144 supersonic airliner.

The Soviet weekly "Za Rubezhom" ("Life Abroad") said that the British decision, which was relayed to the Soviets before the meeting of the Anglo-Soviet joint commission in Moscow last May, was a "sad example" of the persisting difficulties in Anglo-Soviet trade.

"Serious preparatory work was done on the contract and much time was spent," said the article, which was distributed in advance of publication by the Soviet news agency Tass. The British decision is "far from contributing to the development of significant business relations between our countries."

# Japanese plan fibre cartel

TOKYO, July 17.

TORAY Industries said a group of 10 Japanese synthetic fibre manufacturers has decided to form an export cartel subject to International Trade and Industry Ministry approval.

The cartel is designed to coordinate the export of synthetic fibre from Japan.

The cartel will help to stabilize the market and ensure a steady supply of fibre.

The formation of the cartel is a significant development in the synthetic fibre industry.

# British Airways will spend £2bn. by 1990 to replace its fleet

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

British Airways expects to spend

upwards of £2bn. by 1990 on progressively replacing its existing fleet of more than 200 aircraft.

No immediate big purchases of new types are planned. Instead, the airline intends to top-up its existing fleet of 18 Boeing 747 Jumbo jets and 13 Lockheed Tri-Stars for both long and medium hauls, and make additional purchases of helicopters, as passenger and cargo traffic grows.

World-wide, passenger traffic is expected to increase 7 to 8 per cent a year, which would mean British Airways doubling traffic by the mid-1980s.

at least five more TriStars to

bring that fleet to 20.

Further orders beyond these cannot be ruled out, depending to some extent on the rate at which the ageing 707s and Super VC-10s in the existing fleet have to be phased out.

The airline is devoting much study to its future short-to-medium range needs. Its many all need replacing through the 1980s.

British Airways is looking at all the types on offer, including the British Aerospace X-Eleven, the French Aerospace A-200, the Boeing 737 and the Douglas DC-9-50. It is in no hurry to take decisions, believing, along with other airlines, that not all the types now offered will in fact be built. The number will be narrowed to two or three at most, making a choice easier.

Also, the airline does not want

to be among the first to buy new types of jet. It prefers to let others act as pacesetters, and will buy only when the type it wants has been proved in service. It might even decide to buy interim aircraft, such as more One-Elevens or Boeing 737s.

When it does make up its mind its requirement will be large, perhaps as many as 40 aircraft spread over several years. The precise number will depend on several factors, such as the rate at which traffic grows and the rate at which older aircraft are phased out.

Options have also been taken because of tougher noise rules and rising fuel costs.

At the bottom end of the scale, the airline sees an eventual need for a 100-seater jet to replace its 29 Viscounts. So far it has not found an aircraft suitable for the task.

airline's reputation and reduce

its ability to earn the money to finance fleet renewal and expansion.

Lufthansa's Board has approved the German airline's biggest investment. Five long-range Boeing 747SLs and six stretched-versions medium range, Boeing 727s, valued in all at approximately DM1.6bn. (about £250m.), have been ordered for delivery at the end of next year. Options have also been taken for four additional Boeing 747s.

The new aircraft will replace six smaller 727 Europa jets now ten years old, and the Boeing 747s which joined the fleet between 1970 and 1972.

Lufthansa is also studying the possibility of exchanging its subsidiary charter airline Condor for two Jumbos for new Boeing 747s, and whether it will require additional aircraft of this size in 1979.

Much of the purchase price of the new order will come from the sale of the older aircraft. The five new Jumbos—three passenger versions, one super-jumbo range version 747SL and one freighter—belong to the second 747 generation and are powered by General Electric CF6-50 jet engines incorporating numerous new systems and technical improvements.

# £250m. order by Lufthansa

BY OUR SHIPPING CORRESPONDENT

It is thus keeping a flexible attitude to its future fleet policy, two Jumbos for new Boeing 747s, and whether it will require additional aircraft of this size in 1979.

Much of the purchase price of the new order will come from the sale of the older aircraft. The five new Jumbos—three passenger versions, one super-jumbo range version 747SL and one freighter—belong to the second 747 generation and are powered by General Electric CF6-50 jet engines incorporating numerous new systems and technical improvements.

These Notes were offered and sold outside the United States of America. This announcement appears as a matter of record only.



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Daiwa Europe N.V. Delbrück & Co. Den Danske Bank Den norske Creditbank

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Yamaichi International (Europe)

July 18, 1977.

# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## METALWORKING

### Friction welding strikes oil

NOW COMPLETING the final phase of its commissioning before being delivered to the new Hughes Tool factory in Singapore is a 250-ton friction welding machine built by the Thompson Wolverhampton Division of the British Steel Corporation. It is believed to be the largest machine of its type in the world. The machine will be used to weld pin and box ends to pipe to make drill rods for the oil industry. The pipes to be welded range in diameter from 2 1/2 to 6 1/2 inches, and are 30 to 40 feet long. The material is 1 per cent chrome medium carbon steel, and the machine takes 42 seconds to complete each weld. Previously the rods were welded by the flash butt method, and Thompson says that compared with that process the advantages of friction welding are: faster process time; less energy used; better accuracy of finished component; better quality repeatability of weld; better "in process" monitoring of quality; cleaner process; and less maintenance of tooling necessary. Generally speaking, these advantages apply to any weld made by friction welding.

This machine is capable of making welds with joint face areas ranging from 3 to 20 sq. inches. To achieve this versatility the conventional single hydraulic cylinder which applies the friction and forging pressure has been modified to a three-cylinder arrangement, using one large and two small bore rams. This provides the 250 ton pressures required for large components, but retains the necessary sensitivity for low pressure welding of smaller items. The twin cylinders also provide faster movement of the sliding head before and after welding. The three-ram chuck is belt driven by a 250 hp electric motor, and stopped prior to forging by a heavy duty disc brake. The conventional heavy backstop mounted behind the fixed component to counter the forge loads has been abandoned for

this machine, instead the component is gripped by three pairs of powerful hydraulic clamps. Two tie bars connect the clamps to the forge cylinder to retain the force in a closed loop, and to assist component alignment. Thompson is believed to be the only European manufacturer to adopt this method, and it has enabled the drill pipe welding machine to be built over ten feet shorter than those of the Japanese and Japanese rivals. Despite the heavy loads, marking of the component by the clamps is minimal, a vital aspect in the customer's specification. The success of this machine has resulted in two more orders being received from Houston, Texas. Thompson now has a standard range of four friction welding machines, with forging pressures of 15, 50, 125 and 250 tons. These machines are capable of welding low carbon steel bar from 1 1/2 to 140 mm diameter and tube up to 255 mm diameter. Over 200 Thompson machines are now in operation throughout the world. This month the company received its first order exceeding £1m from a single customer—it was for a number of machines to be used in the oil drill rod manufacturing industry. In the first seven months of this year the division exported 81 per cent of its production. Last year total sales exceeded £1.5m.

It is estimated that there are now about 2,500 friction welding machines operating in the world, of which about 1,000 are in the USSR. Thompson says that interest in the process is rapidly increasing, particularly in Japan and the U.S. Considering that the process was invented and in use in Russia in the 1950s, and the first friction welding machine in the U.K. was built by the Welding Institute 17 years ago, it has taken Western Europe a long time to realise the advantages. Details from Thompson Friction Welding, Ettingshall, Wolverhampton WV4 6JX (0902 412121).

## HANDLING

### Lifts a bigger load

SCRAP YARD and steelworks lifting operations are being made more efficient by the addition of a solid steel cone to the underside of an electro-magnet. The increase in the lifting surface, during tests, has shown that the picking up of scrap can be increased by 60 per cent, and of bloom and billet crops by 50 per cent, of turnings by 40 per cent, and of haled scrap by 25 per cent. The concept was evolved by BSC's Teesside laboratories and the trials have been carried out at various corporations works, mainly at Stanton near Nottingham, over the past year. At Stanton, with 65 inch electro magnets fitted with cones, four tonne cupola charges are being made up with five lifts instead of eight. Similar magnets are used to unload rail wagons in half the normal time. The cones help the magnet to penetrate heaps of scrap, and such a high flux density is generated at the tip that it is possible to pick up a steel crop on a point. Using a 55 inch electro magnet for comparison purposes, the cones have shown that whereas a 20 tonne slab can be lifted only about a half a tonne of scrap is

possible. A cone provides a 60 per cent improvement. Similarly a pick up of three crop ends is improved to five and as many as nine with a cone. When used in rail wagons the nose of the cone is blunted to avoid damage. Faster turn rounds of wagons—and ships—obviously reduces demurrage charges. Among other benefits possible are fewer cranes. On the other hand, the cone weighs about half a tonne so that, taking into account increased lifting capability, it may be necessary to step up crane capacity. Since the power required is the same, electricity bills are cut by having fewer lifts. A further development is a pyramidal cone for handling very large, heavy scrap-like ingots and broken moulds, and experiments are proceeding. A licensing agreement has been signed with Thyssen Electro Magnets, Riverbank, Walsley, Prince of Wales Dock, Swansea, a member of the Thücker group, which has already built up a supply to fit most magnets. It will either supply a cone or for contractors to supply and fit. Further details from BSC Teesside Laboratories, Grangetown. PETER CARTWRIGHT

## REFRIGERATION

### Cools it with less noise

INITIALLY LAUNCHED with unit capacities in multiples of 50 tons, the CK Line range of cooling towers has been extended with units which have treble the capacity. This is stated to reduce the capital and running costs as the number of modules required for a given refrigeration load can be cut by two thirds. Noise level is also lower than with conventional towers. The company says its towers are the only models to use centrifugal fans in cross-flow configuration. The fans are sited behind the packing, which is used as a sound attenuator, an arrangement giving sound levels as low as 59 dBA at 3 metres for a 300 ton unit. Sound levels are further

reduced by a design which allows water to pass through the tower and into the basin with minimum noise. Anti-vibration mounts are supplied for additional sound reduction. The plastic packing is vacuum formed and incorporates integral vanes. It is corrosion resistant, and its high density gives good thermal dissipation. External cladding is a box-rib section plastic coated sheet, and the colour can be chosen to match the surroundings or create an architectural feature. Although specifically designed for air conditioning applications, the towers can be used for industrial cooling, particularly in conjunction with small scale refrigeration systems, according to the maker, Film Cooling Towers (1925), Chancery House, Parkshot, Richmond, Surrey TW9 2RH (01-940 8494).

## SECURITY AND SAFETY

### Probed in a flash

FOUR OF a new type of mobile X-ray inspection unit are to be set up on the QE2 liner. By using a low level flash X-ray source of only 60 nano-seconds duration, coupled with an image store, the designer has overcome the problems of providing close scrutiny of baggage without fogging undeveloped films which may be in it. The picture is displayed on a TV monitor, and is of high enough definition to be able to resolve a twisted pair of fine copper wires, which is something the only indication that a terrorist device is present. One advantage of the approach is that it is not necessary to place baggage within an enclosure (as with most higher dosage systems). This enables any size of baggage, including the largest cabin trunks, to be examined by taking overlapping multiple exposures. The system will inspect baggage up to 32 inches by 24 inches in a single exposure. The complete system consists of a monitor console mounted on one side of the luggage conveyor. This unit carries the control, TV monitor with store, X-ray generator, and cable storage. Linked to it via stainless steel armoured cables is the second console which is positioned at the other side of the conveyor. This console carries a high speed television camera, and TV camera. Both consoles are mounted on castors, requiring only two to move them quickly into position. A special room facility enables the security guard to look in detail at a small portion of the image.

When used in accordance with the operating instructions, at a rate of exposures not greater than 800 per hour, the system meets the U.K. Ionising Radiation (sealed sources) Regulation which also meets the U.S. regulations for the administration. Further development of the equipment will be undertaken by Hawker. The latter is already supplying computer-based equipment for the control of coal-mining operations and the regulation of the turbines which drive the RAF's and the Navy's search and rescue helicopters. Further information on the equipment from the company at 32 Duke Street, St. James, London, SW1Y 6DG. 01-930 6177.

EXCLUSIVE: world-wide patents, name... knowhow has been obtained by Hawker Siddeley Dynamics Engineering for equipment able to recognise and warn of hazards in the process of operating. Hawker Siddeley Dynamics Engineering for equipment able to recognise and warn of hazards in the process of operating. Hawker Siddeley Dynamics Engineering for equipment able to recognise and warn of hazards in the process of operating.

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## ELECTRONICS

### Litronix reorganised

FOLLOWING the rumours of the merger of Litronix, the electronics materials and devices company, has announced that it is to be reorganised. Litronix's biggest customer and currently sends 15 per cent of its output to the German company. Litronix has announced that it is to be reorganised. Litronix's biggest customer and currently sends 15 per cent of its output to the German company. Litronix has announced that it is to be reorganised. Litronix's biggest customer and currently sends 15 per cent of its output to the German company.

The company admits that it has been looking for help since last year when it was badly hit by the U.S. and in Europe by the Asian electronic waste and calculator invasion. Since 1972 the company has acquired facilities for MOS, crystal and watch-case manufacture and a good deal of its production capacity was being devoted to watch and calculator manufacture when the price was taken off. Litronix shed these products at the end of 1976, moved the European headquarters from Frankfurt to Hitchin and has concentrated assembly work for its remaining component products in Penang and Mauritius. Materials, engineering, MOS and crystal work remains at the world HQ site at Cupertino, California. For Siemens the deal clearly

## COMPONENTS

### Bigger and brighter red light

THREE TIMES as bright and 25 per cent larger than competitive devices are the claims made by Monsanto for its new rectangular lamp emitting diode. The new device is phosphide on a gallium phosphide substrate, the lamp has a brightness of 4 millicandelas at 20 mA. The lamp, which produces a red light, has an illuminated area of 5.58 by 3.13 mm. Overall package surface area is 6.35 by 3.81 mm, and the lamps can be used in a matrix display with a lead spacing of 2.54 mm. A plastic housing prevents clear definition of each element when stacked together. Suggested applications include legend backlights, panel indicators, illuminated pushbuttons, and in linear arrays. More from Monsanto, 10 Victoria Street, London SW1H 0NQ (01-222 5873).

Advantages are no software development costs, and off-shelf availability and the unit can be used by itself in many control applications, such as machine process controllers, navigation systems, and measurement and test equipment where it generally requires only an external program counter (PC) and program source. Alternatively, it functions as a subsidiary unit on the data bus of a micro or mini-computer system such as National's SC/MIP to expand the power of the central processor. The chip developments are only a few months ago—that the manufacturers of LSI devices would overcome software problems with hardware solutions in the next few years—are already coming about. More from National at 18 Goldington Road, Bedford MK40 3LF. 0234 211262.

## IN BRIEF

Intended for use in high frequency applications, the new series of diodes in the RGOI series of fast switching rectifiers from General Instrument. Maximum reverse recovery time of all the diodes is only 100 ns. Peak inverse voltage range from 1000 to 1600 volts. 0494 443311.

ASEA is offering some new high power transistors for industrial applications. One of them, the A5T 1421, has an on-state current of 1000 A with a peak reverse voltage of 3000 V—one of the highest current-voltage combinations available. 01-990 5411.

Various tuning heads for an radio applications are announced by Astec Europe of Windsor. Band coverage is 58 to 105 MHz, accomplished by applying a tuning voltage of two to 20 volts. Consumption is 15 mA, and the unit measures only 20 x 37 x 71 mm. Windsor 53245.

Burr-Brown has released a compatible input operational amplifier 3527 using field effect transistors. There are models with various input offset voltage drift, input offset voltage and bias current. 0223 3337.

East-Molesley Devices of East-Molesley, Leamington Spa, Warwickshire, has announced a monolithic run-to-DC converter enabling the measurement of true rms value of complex wide-band signals. 01-441 0466.

## COMPUTING

### Serving the small end

RECORDING media of all kinds for the lower end of the computer market, covering mainframe, microprocessor systems and terminals, are offered by Racal-Zonal, the magnetic tape manufacturing wing of the Racal group. Floppy discs, cassettes, data cartridges and magnetic cards will be among the products, but Racal-Zonal will continue to manufacture high quality computer tape as before. The floppy discs are being made with an oxide coating including a lubricant ingredient to ensure minimum surface friction. The company recently acquired Hollermann Cassettes of Crawley. More from Racal-Zonal at Holmehorpe Avenue, Redhill, Surrey.

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## Keeps parts in order

FIRST TRUCK distributor to take up a minicomputer accounting and administrative package promoted by British Leyland Truck & Bus group and Systeme, a new operating system from NEB support—is Galbraith Computers. The package consists of a mini with a 192 kilobyte processor with magnetic tape drive, two random access discs and seven displays. Starting with the parts control program module the equipment will be successfully loaded with recording and control preparation of invoices and statements and order picking documentation. A finance module will follow and a service and warranty module will be added next year. More from Leyland, Preston PR5 1SN. 077-44 21400.

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## Travel data mastered

TAS, the processing routine developed specifically for travel agents by Datacube, has attracted a great deal of interest in the business and there have been a number of orders including one from Aquarius Travel and another from Instone Travel Services. Unique in the U.K., the program covers automatic ticketing, invoicing, sales and purchase ledgers, airline returns and agency statistics. They run on a Datatab D15 mini with 10m characters of disc, a VDU, and two fast printers, for tickets and invoices respectively. All information on air travel is fed into the system through the display, which is used for coding and tickets for all forms of travel may be produced automatically. Datasab, CSC House, POB 105, North Circular Road, London NW10 7TS. 01-908 3921.

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## STANDARD OIL COMPANY

NOTICE OF REDEMPTION. 25th September 1976. Notice is hereby given that, pursuant to Section 2.1 of the Indenture, dated 27th August 1973, between the Standard Oil Company (the Company) and Chemical Bank, as Trustee (the Trustee), the Company has elected to redeem and will redeem on August 15, 1977 (the Redemption Date), 100% of the principal amount of the 15 1/2% Debentures, at the redemption price of 100% of the principal amount (except such interest accrued to the Redemption Date).

Serial No.	Face Value	Interest	Serial No.	Face Value	Interest
1	100.00	15.75	1001	100.00	15.75
2	100.00	15.75	1002	100.00	15.75
3	100.00	15.75	1003	100.00	15.75
4	100.00	15.75	1004	100.00	15.75
5	100.00	15.75	1005	100.00	15.75
6	100.00	15.75	1006	100.00	15.75
7	100.00	15.75	1007	100.00	15.75
8	100.00	15.75	1008	100.00	15.75
9	100.00	15.75	1009	100.00	15.75
10	100.00	15.75	1010	100.00	15.75
11	100.00	15.75	1011	100.00	15.75
12	100.00	15.75	1012	100.00	15.75
13	100.00	15.75	1013	100.00	15.75
14	100.00	15.75	1014	100.00	15.75
15	100.00	15.75	1015	100.00	15.75
16	100.00	15.75	1016	100.00	15.75
17	100.00	15.75	1017	100.00	15.75
18	100.00	15.75	1018	100.00	15.75
19	100.00	15.75	1019	100.00	15.75
20	100.00	15.75	1020	100.00	15.75
21	100.00	15.75	1021	100.00	15.75
22	100.00	15.75	1022	100.00	15.75
23	100.00	15.75	1023	100.00	15.75
24	100.00	15.75	1024	100.00	15.75
25	100.00	15.75	1025	100.00	15.75
26	100.00	15.75	1026	100.00	15.75
27	100.00	15.75	1027	100.00	15.75
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89	100.00	15.75	1089	100.00	15.75
90	100.00	15.75	1090	100.00	15.75
91	100.00	15.75	1091	100.00	15.75
92	100.00	15.75	1092	100.00	15.75
93	100.00	15.75	1093	100.00	15.75
94	100.00	15.75	1094	100.00	15.75



HOME NEWS

Housing land shortage likely in 18 months

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

A CRITICAL shortage of housing land seems inevitable in the next 18 months, unless Government policies are quickly changed, according to the House Builders' Federation.

The Federation, which today publishes a report on the housing land situation, believes that the shortage could lead to a sharp cut in the house building programme or help fuel an 'inflation' round of house price inflation.

BBC accused of orchestrating support for its local stations

BY CHRISTOPHER DUNN

THE BBC is doing all it can to defend its local radio operations via a "carefully orchestrated campaign," according to Radio City, the independent Merseyside radio station.

The BBC in London did not feel that it was in a position to comment on the allegations, although it thought "there was no way in which such a campaign could be orchestrated."

Claims rise for house subsidence

By Adrienne Gleeson

INSURANCE CLAIMS for damage caused by subsidence are running higher so far this year than they were at the same time in 1976. This is agreed by the British Insurance Association and by several major insurance companies.

MP wants profiteering brewers to cut prices

BRITAIN'S BREWERS should make refunds to beer drinkers if the forthcoming Price Commission Report shows they have made excessive profits, an MP demanded yesterday.

Mr. Madden is the sponsor of a Commons motion signed by about 20 MPs, which demands that brewers should be told to stop increasing beer prices in advance of the report.

Gilmour fears cancellation of 7511 Torpedo

The Government was seriously considering the cancellation of the 7511 Torpedo project, Sir Ian Gilmour, Opposition spokesman on defence, said at the weekend. Even if this Government's standards, this, he believed, would be an act of extraordinary folly.

Report to-day on Belvoir coal prospects

THE National Coal Board will announce to-day the result of a feasibility study of the controversial plans to mine the Vale of Belvoir, which runs through Nottinghamshire, Leicestershire and Lincolnshire. The coal deposits are the largest in Europe.

No capital shortage, Wilson probe told

By Nicholas Colchester

THERE IS NO shortage of funds, but there is a shortage of viable propositions claim nine companies providing development capital for industry in evidence submitted to the Wilson Committee on Financial Institutions.

American Express ends extended credit for travel

BY CHRISTOPHER DUNN

AMERICAN EXPRESS, the multi-national credit and charge card operation, has withdrawn an extended credit facility from U.K. resident card holders.

Non-legal watchdog urged for lawyers

BY A. H. HERMANN

THE INTERNAL working of the legal profession should be supervised by a new body including non-lawyers, and clients should be able to submit their complaints against solicitors to arbitration instead of going to court.

Grant given for risk management teaching

BY ERIC SHORT

THE BRITISH Insurance Association is providing a grant to the University College of North Wales, Bangor, to enable the teaching of insurance and risk management to be included in the new Department of Economics degree course in banking, insurance and finance.

Early retirement in mines backed

BY ALAN PIKE, LABOUR STAFF

THE GOVERNMENT has approved the early retirement scheme worked out between the National Coal Board and the National Union of Mineworkers earlier this year to be implemented when Phase Two expires at the end of this month.

Importers and exporters absent from docks Board

BY OUR SHIPPING CORRESPONDENT

BRITAIN'S importers have complained that neither they nor the exporters are represented on the reconstituted National Dock Labour Board.

Divers call off strike threat

NORTH SEA divers have withdrawn their threat of a strike from August 1 because Mr. Sheehon, the Financial Secretary to the Treasury, has agreed to "constructive discussions" between Island Revenue officials and the industry on the problems over divers' tax.

Suspend union call to TUC

THE NATIONAL Association of Licensed House Managers tabled a TUC motion for Congress in September for the suspension of the TUC and General Workers' Union. The Association says union failed to implement TUC disputes committee over recognition of their organisation at the Fox and Goose Birmingham public house.

Call for Labour review

BY OUR LABOUR STAFF

THE LABOUR Party conference in October will be urged by the General and Municipal Workers' Union to institute an urgent review of the party's structure, organisation, finances and internal democracy.

Airline chief's hi-jack report

AFTER THE hi-jacking of one of their aircraft in Kuwait last week, British Midland Airways yesterday sent Mr. John Wolfe, their general manager, to Kuwait to investigate the incident.

Two new livery companies

TWO NEW City of London livery companies—the company of Chartered Secretaries and Administrators and the Company of Builders Merchants—will be set up at a meeting of the Court of Aldermen of the Corporation tomorrow. This will take the number of livery companies to 88.

The cost of mail mechanisation

BY KEVIN DONE

THE POST Office's doubtful record on forecasting—whether in equipment ordering or future pricing policies—has largely been based in recent months on experiences in its telecommunications business.

Sweetener

The Post Office, however, excludes the lead-in payment from its calculations on the grounds that it covered many normal wage settlement elements beyond the mechanisation issue.

with a mechanisation programme for letters involving the spending of £5m. to £8m. a year to 1982/83. By then it aims to have completed a network of 80 mechanised sorting offices. It says now that the total capital expenditure at 1975 prices will amount to some £50m. In 1976 it told the UPW that total expenditure would total £57m., but whichever figure is taken inflation will have wrought havoc with the total by 1983, when the ordering programme ends.

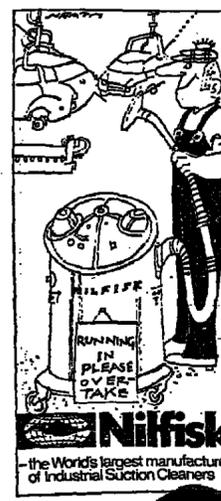
Restrained

Remarkably the mechanisation equipment industry which has served the Post Office steadfastly over the past 20 years of confused and unfulfilled expectations, has been restrained in its criticism of the corporation.

in a single year it spends hundreds of millions of pounds on the inland mail business—£825m. in 1975—and the whole mechanisation programme only accounts for a fraction of that. So it wants to put mechanisation in perspective, and the early enthusiasm has clearly faded.

Report to-day on Belvoir coal prospects

THE National Coal Board will announce to-day the result of a feasibility study of the controversial plans to mine the Vale of Belvoir, which runs through Nottinghamshire, Leicestershire and Lincolnshire. The coal deposits are the largest in Europe.



Nilfisk - The World's largest manufacturer of Industrial Suction Cleaners

# The Executive's and Office World

EDITED BY CHRISTOPHER LORENZ

A gap in culture, not class, between management and shop floor is highlighted in a most unusual industrial relations course. Stephen MacAllister reports

## Unions put their oar in at Henley

This morning a Bank of England official, a man from the Ministry of Defence and 20 works managers, industrial relations officers and others will be reporting back to their bosses on an extremely unusual course which ended this week-end at the Administrative Staff College, Henley. Margaret Thatcher's man on Employment—James Prior, MP—might even be reporting to his boss. The substance of their reports will be TU 6, a week-long course on trade union attitudes to industrial relations, devised and run exclusively by trade unionists.

As its designation suggests, it is the sixth course of its type to have been held by the college since April last year: one or two companies have sent people each time.

The trade union presence at Henley is nothing new. Two union leaders are college governors, and trade unionists have also attended some of its courses—as students as well as lecturers—but usually only in small numbers. It was this which prompted the college to consider how one of the major themes of contemporary business could be covered in more depth.

### Die-hards

As intriguing as the governors' reservations, has been the attitude of die-hard traditionalists at the head of the union movement. Some of them, too, had qualms of their own. Voices representing the shopfloor at quite elevated levels were raised—paradoxically echoing their counterparts at the other end of the spectrum after all, 20 or 30 times as many managers available for course as there are trade union officials.

It was for this reason that Tom Kempner, the quiet iconoclast who founded the Bradford Business School before moving to Henley in 1972—and is shaking it up in the way that a zealous entrepreneur might deal with an old-established department store—hit on the idea of handing over an entire course to the unions. He managed to do it—but not without hiccoughs of resistance along the way.

Some of the college governors, to whom Kempner is ultimately answerable and who tend to preside over some of the

session on "In Place of and light. Haston's direct approach often amounts to a sort of diplomatic needling, done deliberately to elicit a point, and some of the speakers—whether senior members of a union hierarchy or shop stewards—seem to perform a similar function. But at many of the sessions there is a determination, even if it is occasionally touched with anger, to reach a sensible, or at least satisfactory, form of dialogue. The gap is thus bridged, but the initial structure is often of the fragile suspension variety.

Bullock, once the report came at the beginning of the event, was a surprisingly minor event. There was disgruntlement on the management side that the unionists seemed well briefed even before it appeared while they, the managers, had nothing but newspaper cuttings, and the key discussions—in which participants from a number of the TU courses were brought together—apparently did not need to last more than a couple of days.

### Little croquet

The week starts on the Sunday evening and most days seem to stretch to 15 hours. There is little time for croquet on the immaculate lawn outside. On any course, particularly where a measure of self-examination may be called for, the barriers of reserve are initially high. Where central and highly topical issues are to be thrashed out between union teachers and management students they are often formidable. "But usually," says Edwards, "by Tuesday evening, they are down. The tension has gone, and we are away."

Plenary sessions during the week may not all be sweetness



Unions on the left of the table, represented by Ron Edwards, foreground, and Jock Haston, with managers on the right at last week's course.

ship, in objectives as well as accountability. Another participant took this further, suggesting that less time should be spent with the higher union echelons, and more with shop stewards. "The chief power and the chief needs and opportunities for improving efficiency are on the shop floor," he said.

The importance of such a change in emphasis was underlined at last week's course. According to some participants, union claims that their democratic structure ensures that members' views are reflected at the top appeared valid in respect of pay policy. But they felt the claims were not borne out on industrial democracy.

On the pay front, it was clear from shop stewards on the course that top officials have been reflecting rank and file

feeling that there should be no work, and to come away from Phase Three, and that pay the course with valuable settlements should be around impressions. The mechanism, as both Haston and Edwards admit, is not perfect yet. But as long as the managers continue to come forward for instruction there is at least movement in the right direction. How do they measure the extent to which they may have opened a reactionary manager's eyes? Edwards points to the conclusion a confectionary production manager sent to his employers: "I was left with a sense of the trade union movement's enormous strength that the answer was that they civil servant, who said almost nothing during one course (not last week) reported: 'On many issues, the most balanced arguments, whether you agreed with them or not, were from the unionists.'"

# The Computer Catch-22

What do you do when you get too big for your small computer but you're still too small for a big one?

## The critical cost factors of computers for small companies

BY MAX WILKINSON  
THE GREATEST single change affecting small to medium sized businesses over the next few years is likely to be a rapid increase in the use of computers. Ironically, it is a change which is being made more and more difficult by the relative fall in price of computers and their enormous increase in power.

For the manager of even a quite small company now has the possibility of buying a system which is capable of the same complexity of operation as the machines which only the industrial giants could afford a few years ago.

### Off-the-shelf

In the face of this complexity it is difficult to know where a manager trying to get a practical job done should begin. Does he start with IBM or ICL? Would he turn the whole thing over to a consultant, or should he try to buy an off-the-shelf business system closest to his needs?

## Headaches in business

BY JOHN WICKS IN ZURICH  
PROTECTIONISM and economic stagnation are among the biggest headaches of Europe's business leaders, according to a poll undertaken by the business environment council, a recently-created affiliate of the European Management Forum, which is based in Switzerland.

It's a tricky situation. You want a large system that will supply up-to-the-minute information about all phases of your company's operation. At the same time, you need a real workhorse to handle payroll, general ledger and other accounting chores.

It sounds like a job for the traditional big computer until you figure the cost. That forces you to look at other options. Up to now they weren't very good. But today, giant strides in technology give you the best of both worlds: big computer capabilities at a small system price. In short, the Hewlett-Packard 3000 Series II.

A dozen different jobs at once. The new HP3000 is a glutton for work. While it's printing reports it will run your payroll, update sales figures, accept inventory data from your warehouse, interact with a programmer, maintain personnel records—all this and more without keeping anyone waiting. It gives you a number of other 'big computer' advantages too. You can run large programs, develop software quickly and inexpensively, and use up to six languages. And it still has time to give you immediate answers to important questions.

### IT'S POSSIBLE FOR ONE SMALL COMPUTER TO ACT LIKE A BIG CENTRAL COMPUTER

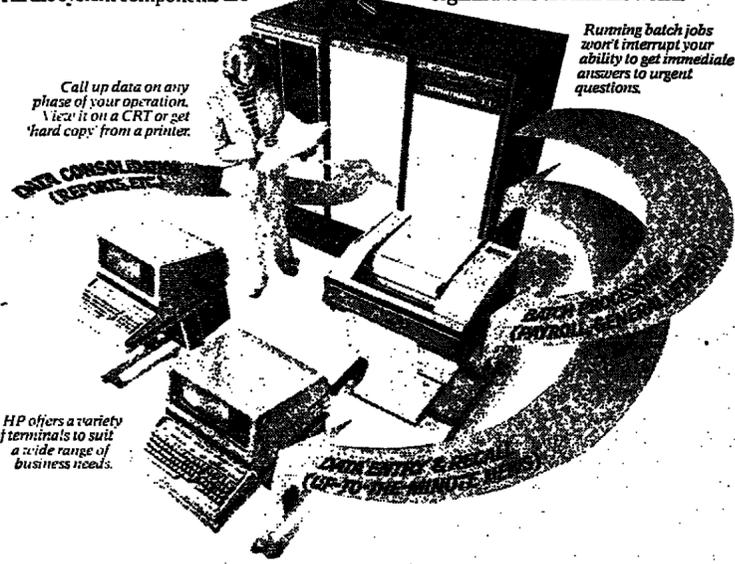
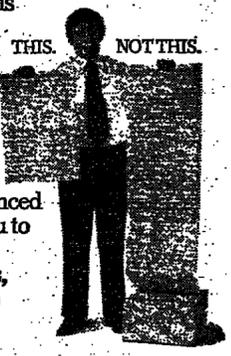
The Hewlett-Packard 3000 Series II can handle up to 63 inputs from terminals, data entry stations, optical card readers, even other computers. All the system components are

Look ahead with the HP3000. Reliability, service and obsolescence are legitimate concerns in this fast-moving technology. With 700 computer system Customer Engineers in 65 countries, Hewlett-Packard can take care of you quickly, here and abroad. But you won't always need an engineer if your HP3000 develops a memory fault because it has a 'fault control memory' which corrects its own errors while the computer is running, and remembers where they occurred. The engineer makes any necessary adjustments on his next routine call.

Turning raw numbers into usable information. Data Base Management—the ability to consolidate related information into easily accessible files—is usually found only in larger computers. But you'll find it in the HP3000. It will generate forms, titles, pages and column headings, data sorted by categories, subtotals, totals and averages. So authorised people can call up just the facts they need in just the way they need them.

And you need have no worries about obsolescence with the HP3000. The operating system is so advanced that it enables you to upgrade as your business expands, without having to throw away your old programs.

So, with the HP3000, you avoid the computer dilemma, now, and into the future. If you'd like to know more about this important advance in computer technology, the coupon will bring you details.



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Short-term expediency wins the day at Drax

BY MAX WILKINSON

Holding the line on pay

THE CHANCELLOR'S aim in his economic statement last week was to influence the climate within which pay settlements will be made after the present phase of the Government's pay policy expires at the end of this month.

Cash limits The Government will of course be expected to ensure that its new guidelines are generally observed in the public sector.

But it would clearly be unrealistic to expect to hold the line in the public sector if the general trend of settlements in private industry was turning out to be significantly higher.

Nine in search of a fish policy

BRITAIN'S GENERALLY ego-centric attitude towards the EEC is a source of continuing irritation to the other member countries.

Imposition of the ban until the end of this year was thus a relatively easy matter. For one's British and Community interests coincided, and the EEC Commission supported the U.K. line.

If, on the other hand, the U.K. shows less than total enthusiasm for the Commission's proposals, it will lose any credit it may have gained from the introduction of its own six-month ban.

breaches of the new guidelines may lie in the public sector. However, the only absolute rule Ministers are hoping to keep established is the twelve months' minimum period between pay increases.

In the public sector the Government can use the cash limit system to influence the trend of settlements as well as to try to preserve the 12 months rule.

Influence The pattern of wage negotiations means that, with the possible exception of the miners, there should be no major difficulty during the rest of this fiscal year.

appears to have recognised.

A DOCUMENT presenting a thoroughly unflattering picture of the British power engineering industry is currently being circulated by a foreign competitor to electricity authorities throughout the world.

Unfortunately, British officials cannot even protest: most of the material was provided by their own Government in a report from the Think Tank (Central Policy Review Staff) last year.

And who can blame any international company with a pressing need for power station orders if it advertises the lamentations and political wrangling which have engulfed its U.K. competitors?

Indeed, foreigners may marvel that the British Government's method of conducting industrial policy should leave a vital manufacturing sector so vulnerable just when it is fighting for its very survival.

What, therefore, has gone wrong with this latest and perhaps most spectacular application of open government to industrial planning? Can the unions, the Government, the companies or the civil servants be justly blamed? Or was it, like a Greek tragedy, the story of everyone acting from their own compulsions which happened, by a turn of fate, to be compounded into common disaster?

Any judgment must start with the fact that all the essentials of the problem were in the hands of civil servants 13 months ago.

On June 2, 1976, the National Economic Development Office produced a report based on consultations with industry and the unions which showed that world and domestic power station orders would be insufficient to support the operations of the four U.K. companies at any



Mr. Eric Varley (left): serious failure.



Mr. Arnold Weinstock (centre): tough position.



Mr. Callaghan: visit to the North-East.

thing like their previous production level. The Central Electricity Generating Board was saying that it would not need to place another order until the beginning or even the middle of the 1980s.

At this stage ministers were not involved in the details, but the Department of Industry soon agreed that the NEDO proposals must be pressed forward.

was to prevent Ministers led by Mr. Anthony Wedgwood Benn, the Energy Secretary, from adopting the short-term expedient to save jobs at Parsons and Babcock (where redundancies were most imminent) without the more unpalatable long-term measures.

Over Christmas the civil servants held a series of meetings among themselves, which resulted in complete agreement from the Treasury on the main strategy outlined in the report.

vention was unnecessary. His company had a nearly full order book. Redundancies were needed in the industry so why not let them happen at Parsons as the current workload ran out?

After a tour of world utilities, Dr. Hawley was much more optimistic than the Department of Industry about the prospect of winning new export orders.

MEN AND MATTERS

Europe—a golfer's dream

A word of advice from across the Atlantic on how to deal with the EEC's dairy surplus has just come from Senator Russell Long, chairman of the Senate Finance Committee.

After pointing out to Agriculture Secretary Bob Bergland that 11 out of the top 12 finishers in the recent British Open Golf Tournament were Americans he suggested that Europeans convert acres of farmland into golf courses in what could be summed up as a policy of switching from milk to tee.

Replacing cows by caddies would at least give their people a competitive chance. I don't know how Senator Long's suggestion will go down in Brussels but if the idea does strike a receptive chord Britain look well placed to give technical advice on the switch-over.

Sweden and "By appointment to HM the Queen manufacturers of tennis courts"

With the Turf Institute looking over its shoulder En-tout-cas are lifting the top soil at Wimbledon, sterilising it in situ and then transporting it carefully to York where specialist turf growers, Rolawn, will actually grow the grass, if I may use such a generic word, before the precious green sward is returned to Wimbledon.

It would have taken a good deal less if all those tennis people were less fussy and showed the bold faith in new technology shown by the Nottinghamshire County Council. They have just commissioned En-tout-cas to build a porous polyurethane synthetic grass playing field for a new school.

I would like to see the cows eat that. While the record recording companies are tripping over themselves trying to tame and successfully commercialise Punk Rock reports from both the U.S. and Eastern Europe indicate that there is still plenty of mileage to be made out of the kind of highly commercial pop which the "punk" generation so ostentatiously scorn.



"Now is the summer of our discontent made winter by this son of York!"

According to ABBA's manager Stig Andersson they could have sold 2m. records if the Poles had had the currency to pay for them.

Make it loud, sell it big

While the record recording companies are tripping over themselves trying to tame and successfully commercialise Punk Rock reports from both the U.S. and Eastern Europe indicate that there is still plenty of mileage to be made out of the kind of highly commercial pop which the "punk" generation so ostentatiously scorn.

BBC's Match of the Day programme. Significantly enough, however, the purchaser is not one of the big three U.S. TV networks but advertising agency J. Walter Thompson which, like other agencies, is finding it increasingly hard to get reasonable advertising time on U.S. TV these days and has turned to marketing its own programmes to some of the smaller stations as a means of ensuring commercial spots for its clients.

Let's call it . . .

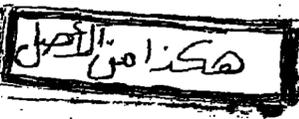
Have you ever wondered how a pop record gets its name? If so the following account from the latest Phonogram newsletter will enlighten you.

The new solo album from the Rumour is titled 'Max'. Why Max? A gesture to Max Wall? Tribute to Max Bygraves? An oblique reference to WW2 Germany? Nope—once upon a time, a Stiff fellow called Nick Lowe noted a certain David Bowie titled his latest 12 inch, 'Low'. With just a hint of parody, Lowe equalised by calling his own LP 'Bowl'. Knowing of this, certain members of the Rumour observed that Fleetwood Mac had inadvertently titled their album, 'Rumours'. It was therefore appropriate that they should christen their own . . . 'Max'. Absolutely.

Sing on

I conclude a Men and Matters half dedicated to music with this epitaph to the good life pinned on the coat of a street singer recently seen in Kensington: "I was living in the lap of luxury, and then it stood up." That's show business.

Kenya Airways announce the departure of their daily flight to Nairobi. Fly to Kenya the Kenyan way! Flights leave London every day at 19.30. Destinations beyond Nairobi include the fast-growing holiday spots of Mauritius and the Seychelles.



ECONOMIC VIEWPOINT

# Making the worst of not too bad policy

to such things—  
y are yet I know not  
y shall be  
ors of the Earth."

King Lear  
TEMENT on Counter-  
Policy brings back  
For it is essen-  
return to the poli-  
Treasury Under the  
this I do not mean  
period, but the pre-  
s.

this period the  
believed that inflation  
entirely due to union  
and not amenable to  
nomic policy. But all  
to do was to put into  
speeches warnings  
dire consequences of  
vage claims and then,  
red the difficulty in  
ass on to other things,  
ancellor's statement  
worst of all worlds,  
once again presented  
terms of union wage  
he monetary guideline-  
mentioned—without  
petition of the actual  
as a sort of technical  
end. The result is  
li-important potential  
ving expectations has  
vn away.

ortunities here are  
s than they were a  
because Mr. Healey  
his efforts to an  
tempt to obtain a  
pay package with  
1972 is more than  
explained by the  
neglected to make  
supply intentions a  
son for influencing  
price levels of the  
OECD countries.  
Even now he is  
to so; but then one  
expect such unbelieve-  
ing increase in the  
standard official basket  
of foreign currencies.

The monetary guidelines will  
restrain prices and wages only  
if they are allowed to influence  
exchange rates. The return of  
confidence at the turn of the  
year following the agreement  
with the IMF, caused an inflow  
of funds to London. If the  
authorities had not intervened  
to keep sterling down, there  
would have been a chance of  
initiating a virtuous circle.

even partially observed, we  
could have all the adverse  
consequences in unemployment  
with which the Chan-  
cellor and the Chief Secretary  
tried only recently to make  
our flesh creep—but without  
any of the potentially favourable  
impact on inflationary expecta-  
tions and on the perceived  
ability of employers to concede  
excessive wage claims.

The money supply has been  
rising by little more than 10  
per cent in most of the last  
three years—and in the last 12  
months intentionally so. Why  
then are prices still rising at a  
rate of 17 per cent per annum?  
The first clue to understanding  
is that in an open economy such  
as Britain the main influence on  
prices is the exchange rate. This  
is not merely because imports  
make up 25 per cent of total  
costs. Much more important is  
that the international price  
level, expressed in sterling  
terms, influences what British  
firms can charge for internation-  
ally traded goods at home or  
abroad.

## Guidelines

In a year such as 1976 when  
the desire to hold sterling falls  
with a thud, the British price  
level will rise sharply in any  
event.

Indeed the 116 per cent rise  
in the British price level since  
1972 is more than explained  
by the compounding of the 60  
per cent rise in the weighted  
average of the OPEC coun-  
tries ("our main competitors")  
and the depreciation of sterling,  
which has led to a 56 per cent  
increase in the price of the  
standard official basket of  
foreign currencies.

The monetary guidelines will  
restrain prices and wages only

When sterling is rising — or  
even not falling for an extended  
period — it then becomes pos-  
sible, if an imaginative effort is  
made, to convince people that  
the pound in their pockets  
will do no worse than any  
other currencies. In addition,  
a strong pound makes it far  
more difficult for employers to  
grant excessive wage claims and  
much less attractive for unions  
to ask for them. This genera-  
lised pressure on margins is far  
more effective than any use of  
price control or threats about  
Government contracts. Thus a  
pincer movement is possible  
which would both improve infla-  
tionary expectations and make  
inflationary wage claims more  
difficult to grant.

Unfortunately any such ana-  
lysis is greeted by members of  
the economic establishment as  
if a Martian were speaking.  
They charge the monetarists  
with holding rigid and  
mechanistic views. But nothing  
is more rigidly tied to tram-  
lines than the establishment  
members' own conception. They  
would like sterling to depreciate  
to reflect the adverse movement  
of British wage costs compared  
to costs elsewhere. For the  
moment their hands are tied by  
the Cabinet's dislike of a fall-  
ing sterling-dollar rate. But they  
still hope to win in the  
end on the employment argu-  
ment. They do not take into

account the very great likeli-  
hood that further depreciation  
will increase British prices, and  
that wages will catch up, with  
no benefit to competitive power  
and an apparently invincible  
case for yet further  
depreciation.

The view that depreciation is  
good for employment dates back  
to the period when it was  
assumed that there were no  
effective limits to money crea-  
tion at home. But if the pound  
falls and prices rise, yet the  
supply of money is strictly con-  
trolled, then there will not be  
enough of it around to finance  
current trade; or in the jargon  
"the real money supply" will  
have fallen.

Far from this being a specu-  
lative line of reasoning, this is  
exactly what has happened in  
the past year. Indeed the  
official forecasts point to a  
further increase of a good  
couple of hundred thousand in  
the unemployment level by next  
winter.

But of course the process  
would not continue indefinitely.

6 The measures in Mr. Healey's statement  
have little bearing on inflation either way.  
We should be thankful that some of the  
worst ideas, such as a repetition of the  
Heath freeze on nationalised industry  
prices or the use of the Price Commission  
to enforce a pay norm have been rejected,  
at least for the present.

The monetary guidelines would  
be relaxed, either overtly or by  
manipulating the definitions  
underwriting the currency  
depreciation.

There are two difficulties in  
putting over to people the idea  
of a virtuous circle. First of  
all it is not the same as the  
present policy of Mr. Callaghan  
of defending the pound at \$1.72  
against pressures in both direc-  
tions: if exchange rate policy  
is not linked with monetary  
policy and if it is not presented  
as the centrepiece of govern-  
ment strategy, then sterling will  
eventually have to depreciate  
again and the economic advisers  
will have the last laugh.

Moreover, the way to secure  
a strong pound is to have an  
appropriate monetary policy,  
convince the world that you  
have one, and allow the actual  
rate to be determined by  
market forces—in other words  
to have a free float. But if you  
don't succeed in convincing the  
world of this, it would be as  
short-sighted to expend foreign  
exchange in propping up

sterling at above-market levels  
as it has been to accumulate  
an extra \$7bn. of reserves to  
keep it down when confidence  
has been strong.

There is a more subtle trap  
into which some City  
monetarists occasionally fall.  
Devices such as money supply  
control allied to a floating rate  
can curb inflation, which is a  
monetary disorder. One may  
hope that this will stimulate  
business efficiency and induce  
a more long-term approach to  
affairs. But any benefits here  
would be very much a bonus  
and should not be counted upon  
in advance. It is as absurd to  
expect monetary devices to solve  
deeper problems, such as  
industrial relations or the  
quality of management, as it is  
to deny their efficacy in dealing  
with the monetary disorders for  
which they are designed.

The measures in Mr. Healey's  
statement have little bearing on  
inflation either way. We should  
be thankful that some of the  
worst ideas, such as a repeti-  
tion of the Heath freeze on  
nationalised industry prices or  
the use of the Price Commis-  
sion to enforce a pay norm  
have been rejected, at least for  
the present.

Characteristically, the Chan-  
cellor is still chancing his  
luck with optimistic statements.  
There is good reason to hope  
that the standard of living will  
not fall further next year. But  
hopes cannot be guaranteed;  
indeed it is really wise for the  
British Chancellor to lay him-  
self open yet again to charges  
of breach of faith if there is,  
say, a deterioration in the terms  
of trade or any other piece of  
bad luck? And should not the  
Chancellor do more to empha-  
size that he is talking about the

year ahead and that the fall in  
living standards which has  
already occurred cannot be  
quickly reversed?

Moreover Mr. Healey is trying  
to have it both ways by claiming  
for the benefit of the TUC and  
his backbenchers, that he is  
giving a £1bn. to £1½bn.  
stimulus to demand, while in-  
sisting for financial audiences  
that his borrowing requirement  
remains unchanged at \$8.5bn.  
for 1977-78. In fact nearly £1bn.  
of the supposed stimulus is just  
a repetition in different form of  
what was already undertaken  
in the Budget on the fiction that  
it was conditional on a  
Phase Three agreement. The  
remainder consists of public  
expenditure increases expected  
to come in 1978 from the con-  
tingency reserves.

They should also insist on in-  
dexation for items such as child  
benefits and income limits for  
free school meals. This would  
both enable MPs to keep watch  
on their actual value and force  
Ministers to distinguish between  
jerky adjustments to the pro-  
gress of inflation and real  
increases.

These are not the trivial  
matters that the Treasury  
supposes them to be. Honesty in  
taxation is not a minor matter.  
But even in terms of wages it  
would surely do no harm for  
union leaders to know that wage  
increases in line with the cost  
of living would not be eroded by  
surprising increases in the  
tax burden. A wage claim de-  
signed to achieve a real income  
objective will be one quarter  
larger on the assumption that  
thresholds are unindexed than  
with tax indexation. (See  
Economic Viewpoint, February  
12, 1976). Although union  
negotiators may not explicitly  
go through the tax arithmetic,  
it is wrong to suppose that they  
are unaware of tax considera-  
tions in the attitudes they take.

Ultimately, the rate of infla-  
tion depends on monetary policy  
and exchange rates; but wage  
claims and settlements have a  
great deal to do with the time  
lags involved and the amount of  
unemployment we have to  
undergo meanwhile.

## Indexation

A large part of the tax con-  
cessions are spurious, moreover,  
as they no more than offset the  
effects of inflation in auto-  
matically increasing the burden  
of personal tax. Yet Treasury  
Ministers are going to oppose  
the amendments carried in the  
Committee for the indexation  
of the personal allowances.  
Official opposition to the  
amendments is ostensibly  
based on a minor drafting  
error in them. The  
Government will propose instead  
that it should publish a state-  
ment at Budget time of the  
indexed level of both the per-  
sonal allowances and the  
specific duties.

There is, however, a great dif-  
ference between a legal require-  
ment and the mere intention,  
however sincere, of the  
sphemeral holder of a particu-  
lar ministerial office. Parliament

## Letters to the Editor

for  
ung  
ector of  
Department of

ael Ivens's letter  
about the new pro-  
opportunities for  
is most welcome.  
he progress of the  
I have to be moni-  
tarily where we are  
rely new ground, for  
th training work  
here is always room  
ch into fresh  
So far as his fear  
schemes providing  
lacked approach" is  
a success of the pro-  
depend very much  
nitiative, and upon  
I know that the  
and the Manpower  
mission certainly  
entation of imposing  
control or requir-  
ary uniformity.  
point refers to the  
p young people to  
d to give them the  
go out and search  
range. Some ele-  
new programme to  
develop this con-  
course we want as  
people as possible  
it into worthwhile  
ork. This is where  
authorities' Careers  
ing a magnificent  
ngly difficult job in  
e people at this  
in employment. The  
have strengthened  
ith the addition of  
ymant specialist  
Secretary of State  
ment recently  
urther 170 directly  
MSC programme.  
stressed the need  
ung people in the  
thers. The Com-  
ntion in the new  
-bank device, Mr. Fish-  
lock at least recognises this. If  
we hope, do pre-  
the benefit of both  
ple and those who  
ing.

Square, S.W.1.

Letters which you  
(July 14) in  
EEC membership  
enormous  
between the thinking  
nt-marketeters.  
Cohen, Head of  
Ideas at Strophe  
s that Mr. Roy  
ght when he said  
endum. In 1976  
s final decision of  
ple on the question  
rket membership.  
Cohen and Mr.  
to have forgotten  
of which  
rument, of which  
then a member,  
e Paper (Cmd.  
ject of our EEC  
March 1976, para-  
which explained  
had the un-  
to repeal the  
unities Act 1972,  
embership of the  
the future de-  
continuing assent  
A similar assent  
ing "Fact No. 3"  
ing "Will Parlia-  
war" on page 12  
t "Britain's New  
which was dis-  
Government to  
in the country  
the referendum.  
that this argu-  
ed to assure  
affirmative vote  
um need not be  
Parliament could  
ut later.  
istrich, Director  
can Movement,  
cent estimate

shows that if our exports to  
the Community had grown at the  
same rate as our exports to the  
rest of the world, our total export  
figure would have been £2.2bn.  
lower than now, at a cost of per-  
haps 450,000 jobs." Mr. Wistrich  
is tacitly assuming that there  
has been no change in the value  
side the Community despite the  
loss of preferences in the  
Commonwealth and EFTA, and  
that there has been no increase  
in British imports of manufac-  
tures from the Community as a  
result of our membership. To my  
mind, it would be just as reason-  
able to assume that membership  
has led to no increase in our  
exports to the Community, and  
that the relative slowness in the  
growth of our exports to the rest  
of the world is only due to the  
loss of preferences there. On this  
basis one can estimate that  
our total export figures would  
now be £4.9bn. higher if we had  
not joined, so that membership  
has "cost" about a million jobs.  
This calculation is no more  
absurd than the "estimate"  
quoted by Mr. Wistrich.  
John Kissin,  
36, Grosvenor Road, Reading.

us getting heat in a natural way  
from the sun.

These are the secondary costs  
of the coal/electricity equation  
which the CEBG ignores. The  
primary, obvious costs we can  
out of the new State Pensions  
Scheme, and the legal require-  
ment to consult with recognised  
Trade Unions. The OPE and their  
reporters couch their phrases in  
terms which suggest that  
employers are shilly-shallying un-  
necessarily over consultation due  
to lack of concern or inefficiency  
in wishing to suggest that this may  
not be so, and employers may not  
necessarily be caught with their  
trousers down.

Neither the Social Security  
(Pensions) Act nor the Employ-  
ment Protection Act defines the  
meaning of the consultation  
required and a recent excellent  
publication by the Workers'  
Educational Association suggests  
that if it is to mean anything,  
it must lead to both sides jointly  
examining and discussing the  
financial and industrial relations  
implications of the decision  
whether to contract in or out of  
the state scheme and it must  
involve a willingness to arrive at  
a mutually acceptable solution  
through a genuine interchange of  
views and information. Any  
employee relations manager (par-  
ticularly in a labour intensive  
industry) ought to recognise that  
such consultation will rapidly  
escalate to full collective bargain-  
ing negotiations for either an  
improved pension scheme, or the  
institution of one where none  
currently exists. Particularly  
since employment conditions  
have been subject to severe con-  
trol and pensions seem to be

agreed to be exempt in the next  
phase (if one can be agreed).

Even the minimum schemes  
may cost an employer 8 per cent  
of payroll and therefore it is most  
important that any concession is  
accepted by employees and their  
representatives as part of the  
total package of agreed improve-  
ments to conditions of employ-  
ment, exchanging deferred pay  
for money in their pockets now.  
Two months ago it was likely that  
the expected wage settlement  
level would be low (say 6 per  
cent) and an employer who had  
started consultation/negotiation  
might have been prepared to  
concede improved pensions. Now  
however the permitted wage  
increase may be considerably  
higher and those employers might  
be committed to improving pen-  
sions to an extent that retraction  
now would cause major employee  
relations problems.

It must have been sensible  
for employers justly concerned  
over the effects of high payroll  
inflation on their business and  
possible increased unemploy-  
ment to await the result of  
discussion between the Govern-  
ment and the TUC (and the after-  
math) before launching negotia-  
tions on pensions.

The OPE may well find them-  
selves overworked in the very  
near future rather than later in  
the year as employers, who they  
think have been shilly-shallying,  
get to grips with the new wage  
policy and build their negotiating  
stance on pensions into the con-  
text of their wage bargaining  
results.  
M. D. Carr,  
Lostwithiel, Cornwall.

There is increasing protest in  
the U.S. at President Carter's  
proposed extension of coalburn-  
ing because of the pollutant  
effect. The protest that is most  
test must be, not against the  
nuclear stations where it is not  
the local people. Lessening the air  
pollution from coal-burning  
would increase our solar energy  
supply so that much local gener-  
ation could become worthwhile.

It cannot seriously be sug-  
gested that anyone starting to-  
day to produce electricity would  
use coal.  
M. Watchorn,  
35, Priory Road,  
West Bridgford, Notts.

Occupational  
pensions

From Mr. M. D. Carr,  
articles in the national Press

From Professor D. R. Myddleton  
of Cranfield School of  
Management.

Sir—You are wrong to say  
that English chartered account-  
ants voted "against a compulsory  
inflation accounting standard."  
Actually they voted against a  
compulsory current cost account-  
ing system. The Council of the  
English Institute has clearly  
recognised that current cost  
accounting is not a system of  
accounting for inflation.

The Government inter-  
ference which is the genuine  
inflation accounting system (cur-  
rent purchasing power account-  
ing), which the accounting  
bodies proposed four years ago.  
The Government (Sandilands)  
committee rejected current pur-  
chasing power accounting, using  
extremely unconvincing argu-  
ments, and proposed current cost  
accounting instead. The Mor-  
peth steering group was not  
asked to produce the best pos-  
sible system of inflation account-  
ing: it was instructed to base its  
detailed proposals on the CCA  
system recommended by the  
Government committee.

To use the failure of a propo-  
sal foisted on the accounting  
profession by the Government  
as an excuse for further Govern-  
ment interference in accounting  
would be an irony characteristic  
of our age. A far better solution  
would be for the Government  
now to withdraw its political  
objections to current purchasing  
power accounting. Four years  
have been lost. Let us not waste  
any more time.  
B. R. Myddleton,  
Cranfield, Bedford.

From Mr. Stanley Hall,  
Sir—The vote at the special  
meeting of the Institute of  
Chartered Accountants will no  
doubt be hailed as a decision  
for or against inflation account-  
ing. This in itself represents  
a considerable victory for con-  
fusion and for the Sandilands  
Committee.

Accounting reports can be all  
based upon historic transaction  
data or on values. Both kinds deferred  
taxation, which has Belgium's

recently expressing the concern  
of the Occupational Pensions  
Board that employees are appar-  
ently attaching low priority to  
the decision to contract in or  
out of the new State Pensions  
Scheme, and the legal require-  
ment to consult with recognised  
Trade Unions. The OPE and their  
reporters couch their phrases in  
terms which suggest that  
employers are shilly-shallying un-  
necessarily over consultation due  
to lack of concern or inefficiency  
in wishing to suggest that this may  
not be so, and employers may not  
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examining and discussing the  
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implications of the decision  
whether to contract in or out of  
the state scheme and it must  
involve a willingness to arrive at  
a mutually acceptable solution  
through a genuine interchange of  
views and information. Any  
employee relations manager (par-  
ticularly in a labour intensive  
industry) ought to recognise that  
such consultation will rapidly  
escalate to full collective bargain-  
ing negotiations for either an  
improved pension scheme, or the  
institution of one where none  
currently exists. Particularly  
since employment conditions  
have been subject to severe con-  
trol and pensions seem to be

agreed to be exempt in the next  
phase (if one can be agreed).

Even the minimum schemes  
may cost an employer 8 per cent  
of payroll and therefore it is most  
important that any concession is  
accepted by employees and their  
representatives as part of the  
total package of agreed improve-  
ments to conditions of employ-  
ment, exchanging deferred pay  
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Two months ago it was likely that  
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be committed to improving pen-  
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It must have been sensible  
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tions on pensions.

The OPE may well find them-  
selves overworked in the very  
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the year as employers, who they  
think have been shilly-shallying,  
get to grips with the new wage  
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text of their wage bargaining  
results.  
M. D. Carr,  
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There is increasing protest in  
the U.S. at President Carter's  
proposed extension of coalburn-  
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effect. The protest that is most  
test must be, not against the  
nuclear stations where it is not  
the local people. Lessening the air  
pollution from coal-burning  
would increase our solar energy  
supply so that much local gener-  
ation could become worthwhile.

It cannot seriously be sug-  
gested that anyone starting to-  
day to produce electricity would  
use coal.  
M. Watchorn,  
35, Priory Road,  
West Bridgford, Notts.

Occupational  
pensions

From Mr. M. D. Carr,  
articles in the national Press

From Professor D. R. Myddleton  
of Cranfield School of  
Management.

Sir—You are wrong to say  
that English chartered account-  
ants voted "against a compulsory  
inflation accounting standard."  
Actually they voted against a  
compulsory current cost account-  
ing system. The Council of the  
English Institute has clearly  
recognised that current cost  
accounting is not a system of  
accounting for inflation.

The Government inter-  
ference which is the genuine  
inflation accounting system (cur-  
rent purchasing power account-  
ing), which the accounting  
bodies proposed four years ago.  
The Government (Sandilands)  
committee rejected current pur-  
chasing power accounting, using  
extremely unconvincing argu-  
ments, and proposed current cost  
accounting instead. The Mor-  
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asked to produce the best pos-  
sible system of inflation account-  
ing: it was instructed to base its  
detailed proposals on the CCA  
system recommended by the  
Government committee.

To use the failure of a propo-  
sal foisted on the accounting  
profession by the Government  
as an excuse for further Govern-  
ment interference in accounting  
would be an irony characteristic  
of our age. A far better solution  
would be for the Government  
now to withdraw its political  
objections to current purchasing  
power accounting. Four years  
have been lost. Let us not waste  
any more time.  
B. R. Myddleton,  
Cranfield, Bedford.

From Mr. Stanley Hall,  
Sir—The vote at the special  
meeting of the Institute of  
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## To-day's events

Mr. Eric Varley, Industry Sec-  
retary, announces details of  
Government's new product and  
process development incentive  
scheme.

Index of industrial production for  
May published.  
Mr. Andrew Young, U.S. Ambas-  
sador to United Nations, arrives  
in Britain.

EEC Finance Ministers meet,  
Brussels.  
EEC Agriculture / Fisheries  
Ministers begin two-day meeting,  
Brussels.

Windscale public inquiry re-  
sumes, Whitehaven.  
European Court ruling that London,  
Ireland's present fishing restric-  
tion is illegal.

## PARLIAMENTARY BUSINESS

House of Commons: Debate on  
EEC affairs. Motions on energy,  
the Community Budget and the  
European Regional Development  
Fund. Police (Amendment) (No.  
2) Regulations.

House of Lords: Price Commis-  
sion Bill, report and third read-  
ing. Coal Industry Bill, committee.  
Debate on preliminary draft of  
1978 EEC Budget.

OFFICIAL STATISTICS  
Retail sales (June, provisional).  
Construction new orders (May).  
COMPANY RESULTS  
Rank Organisation (half-year).  
COMPANY MEETINGS  
See Week's Financial Diary on  
page 17.



Is there an IBM computer, somewhere in your organisation?  
And is it two or three years since it was installed?  
Then we sympathise.

By now, you're almost certainly suffering from IBM growing  
pains.

As your business has expanded, so your hard-pressed DP  
people have added programme after programme, with modifica-  
tions on the modifications, until the whole system is bursting out of  
its megabytes.

Talk to IBM, and the High Priests will be delighted to sell you  
a big, new computer.

At enormous cost.  
But if you don't do something soon, your efficient  
organisation could grind to a nasty halt, costing even more.

Relax.  
Telex have the answer.

Install one of our inexpensive add-on memories and in a day  
or two our engineers will have upgraded your whole system. (Quite  
painlessly, often over the weekend.)

To get twice the work out of the same old computer.  
Who are Telex?

We're the No. 1 supplier of plug-in alternatives to IBM disk-  
drives, tape units, printers, terminals and memories.

Of course, we're not as big as IBM (who is?) but our reputation  
is high, particularly with sophisticated computer users like Vauxhall  
Motors, Mobil Oil, Lloyds & Scottish Finance, Reyrolle Parsons,  
Burmah-Castrol, GKN, British Sugar, AC Nielsen Research, Baker  
Perkins, Harro Industries, and the Stock Exchange, all of whom  
have stretched their IBM systems with our memories and all of  
whom are very pleased with the results.

The only people who won't be

# COMPANY NEWS

## Booker extends Mace outlets

Booker McCannell is to increase its domination of the Mace voluntary group of grocers by taking over three of the wholesale grocery businesses in the Oriel Foods Group. Bookers, which in January bought the food wholesaler Kinloch (Provision Merchants), has now reached agreement with Oriel and its associated company, Morris and David Jones, to take over the delivered trade of Morris and Jones and of William Kingham and Sons together with the wholesale provisions business of Thomas Robinson Sons.

The purchase price will be paid in cash and will be based on audited accounts to be drawn up next month. It is expected to total around £5m. and include the purchase of freehold and leasehold properties of nearly £1.8m. In all Bookers is buying 15 whole sale depots and one cash and carry depot with a total turnover of £48.2m.

## Ropner may show some decline

MR. W. G. DAVID ROPNER, chairman of Ropner Holdings, said in his annual statement that group pre-tax profit has shown increases in each of the last six years and has grown fourfold in this period. The directors expect a good result for the current year but not equal to that achieved in the year to March 31, 1977, when an advance from £1.77m. to £2.8m. was reported.

The group's earnings of foreign currency in the year under review again showed a substantial increase and represented half of the total turnover of £10.42m. (£7.85m.). Apart from exports of manufactured goods, shipping and insurance broking made a large contribution to overseas earnings. Profit derived from shipping increased to £442,000 from £384,000. The grim state of the freight market continued and no improvement is discernible at present.

### BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

Company	Date
Imperial Chemicals	July 25
British Overseas Airways	July 25
British Airways	July 25
British Airways	July 25
British Airways	July 25
British Airways	July 25
British Airways	July 25
British Airways	July 25
British Airways	July 25
British Airways	July 25

Individual parts of Oriel nobody has prepared to pay ECA's price for the whole group and in December it was announced that the company had been taken off the market.

### DOLAN PKG.

In a letter to shareholders of Dolan Packaging, the directors state that they are considering

with financial advisers County Bank, the 180p cash offer from Canadian Overseas Packaging Industries, and will be getting in touch with members as soon as possible.

## Associated Newspapers outlook

PROVIDING wage increases are contained within the limit indicated by the Government and the national economy continues its present trend, Associated Newspapers Group can look forward to maintaining its position in the current year.

This is stated by the chairman Mr. Vere Harmsworth in his annual review. The price of newspapers is not expected to rise at a rate comparable with that of the past two years, he says, in part due to the steadiness in the exchange value of sterling.

The engineering division had an exceptionally good year. On turnover which increased by 44 per cent, profits rose from £763,000 to £1,358,000. Continual efforts in the export field have been particularly rewarding, and products are now sold in many countries.

# HOME NEWS

## 'My child threatened' runaway editor says

RUNAWAY JOURNALIST Mr. Maurice Jones took his family to East Germany because of police threats against his wife and two-year-old daughter, he has alleged in a letter to Mr. Arthur Scargill, the Yorkshire miners' leader.

Mr. Scargill released the text of the "express" delivery letter yesterday. He said it was postmarked July 7, delivered last Friday and had been left open. It gave an address at Firstwater, a small town 20 miles east of Berlin.

## 'Attractive'

"Then he switched the conversation to Yorkshire Miner. The gist was that to allow such a key section of British workers to become highly politicised through Yorkshire Miner was a luxury no sensible authority could afford."

## 'Nearly 50% of employees feel left out of decision-making'

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

NEARLY 50 per cent of employees believe they have absolutely no influence on decision-making within their companies, according to a Confederation of British Industry survey on employee participation.

This conflicts with the fact that six out of ten companies believe that their present levels of consultation are "about right". Supervisors and skilled employees are among those who feel the most under-involved.

In particular they may still be falling either to make employees aware of consultative procedures or to ensure that they effectively communicate decisions that have changed as a result of consultation.

And a possible reason for supervisory and skilled employees saying they feel under-involved may be because they can see their status being eroded in other ways—in pay and differentials for example—suggests the CBI.

February this year, just after publication of the Bullock report on employee participation, showed only 9 per cent of employees "strongly" in favour of board level representation as an effective means of participation. A further 24 per cent "tend" to be in favour of it.

The research indicated that employees' opinions on participation are changing all the time. So, companies should not assume that just because their own shop floors don't want board level representation now, the picture will be the same in six months time," states the Confederation.

## Building societies open more branches

By Elinor Goodman

Building societies are opening new branches at a high rate than any other high street operator, according to a survey produced by estate agents, Hillier Parker, Ma and Rowden.

The top 18 societies, all with over 70 branches, have opened 270 new outlets between the last year. This is an increase of 9 per cent on 240 total for the previous 12 months.

## East End link welcomed

PROPOSALS by the Greater London Council to build a way tunnel between Silver and Woolwich Arsenal associated improvements welcomed to-day by the Local Chamber of Commerce.

## Humberside heads for cod war

BY OUR GRIMSBY CORRESPONDENT

A COD WAR on the Humberside coast is being waged because Grimsby has started a campaign claiming to be Britain's major fish port of the future.

Angry Hull merchants have pulled out of the National Federation of Port Wholesalers and say they could not sit at the same table as fellow-members who threaten the destruction of Hull as a port.

While Hull's landings in the present slump has dropped some times to one trawler a day, Grimsby's have kept up to an average of between 40,000 and 50,000 stones.

## Harrods takes £2.5m. as sale starts

FINANCIAL TIMES REPORTER

THE FIRST day of the clearance sale at Harrods exceeded all expectations. Shoppers, who came to the Knightsbridge department store from all parts of the world, spent £2.576m. on Saturday.

Many foreigners were attracted by Harrods' overseas advertising campaign, which included advertisements in the New York Herald Tribune as well as in European newspapers.

Harrods, like many other London stores, has been having a very good year because of the number of tourists. Its current sale lasts only one week, instead of the usual two.

## Stubble burning 'a fire risk'

AS THE COMBINE harvesters begin to eat into the predicted bumper grain harvest, farmers are being warned again of the fire risks from burning left-over straw and stubble.

**NEW JAPAN SECURITIES CO., LTD.**  
LONDON OFFICE  
Announce that they are now in new offices  
at:  
**1 MOORGATE, LONDON EC2R 6JH**  
Telephone: 01-696 6781/8 Telex: 883066/8 and 887248 (unchanged)

## MPs seek inquiry on MI5 errors

THE PRIME Minister is to be questioned in Parliament about alleged bungling by Britain's counter-intelligence service over two Government Ministers.

This follows a report in The Observer yesterday that Sir Harold Wilson lost faith in the security service after "two ludicrous blunders" while he was at No. 10.

Mr. Gwilym Roberts, Labour MP for Cannock, is tableing a Commons question to Mr. Callaghan urging him to set up a select committee to inquire into the conduct, operation and activities of Britain's counter-intelligence services.

Mr. Roberts said yesterday: "The horrifying thing about it is not just that it suggests a Communist plot but the plain incompetence in one of our most sensitive areas."

*This announcement appears as a matter of record*

**Bolivars 20,000,000**

**SOCIEDAD FINANCIERA UNION, C.A.**  
CARACAS - VENEZUELA

8% Mortgage Guaranteed Bearer Financial Bonds of July 15, 1977 due January 15, 1987

Interest payable monthly  
Price 100%

The issuer arranged the offering and partial placement of the above Bonds included the following banking institutions

ARAB FINANCE CORPORATION S.A.  
BANCA COMMERCIALE ITALIANA  
BANQUE BRUXELLES-LAMBERT S.A.  
CREDIT LYONNAIS  
SWISS BANK CORPORATION (OVERSEAS) S.A. PANAMA  
UNION CHELSEA NATIONAL BANK

Listing: Caracas Stock Exchange  
Issue authorized by the Superintendent of Banks

Caracas, July 1977

**FINANCE FOR INDUSTRY TERM DEPOSITS.**

Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest paid gross half-yearly. Rates for deposits received no later than 22.7.77.

Terms (years)	3	4	5	6	7	8	9	10
Interest %	11 1/2	11 1/2	12	12 1/2	12 1/2	12 1/2	13	13

Rates for larger amounts on request. Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-828 7822, Ext. 177). Cheques payable to "Bank of England a/c FFI." FFI is the holding company for ICF and FCI.

**FT Share Service**

The following security has been added to the Share Information Service appearing in the Financial Times:

Baxam, Sligh and Cheston (section: Industrials Miscel.).

**ANG Associated Newspapers Group Limited**

The Annual General Meeting for 1977 of Associated Newspapers Group Limited will be held on Thursday, 11th August, 1977 at 10.30 a.m. at Waldorf Hotel, Aldwych, London, W.C.2.

Year ended 31 March 1977	1977	1976
Earnings from Trading	7,942	5,878
Share of Earnings of Associated Companies	1,777	1,324
Earnings before Taxation	12,013	8,451
Extraordinary Items	645	(508)
Group Earnings	6,389	3,080
Dividends for year	5.151p	4.685p

Extracts from the statement of the Chairman, Hon. Vere Harmsworth, to be presented to the Annual General Meeting.

In the year to March 1977 the Group achieved record earnings before taxation of £12m compared to £8.4m for 1976. Such results in the present circumstances can only follow the successful implementation of sound long term planning. It is not however possible to maintain a steady improvement in the affairs of the Group unless there is a satisfactory balance which enables those who contribute to receive adequate rewards.

**DAILY MAIL**  
The Daily Mail has enjoyed an extremely successful year. The circulation has increased substantially and continues to do so. Advertising revenue has also made very significant gains and reflects the success the Daily Mail brings to advertisers. Despite a heavy increase in the cost of newsprint and a major promotional campaign to combat competitive activity the Daily Mail again made a contribution to earnings.

**EVENING NEWS**  
The Evening News trading situation worsened during the year due to inflationary growth in operating costs despite considerable efforts made to control and rationalise production. The point has now been reached where radical and very positive changes are required to restore the fortunes of the Evening News. A new Managing Director with wide advertising experience has been appointed to carry this out.

**INDUSTRIAL RELATIONS**  
Plans for a computer based national newspaper production are being formulated in some detail and these should prove most valuable when it is appropriate to introduce new techniques and achieve realistic manning levels. These developments are essential if newspapers are to provide a degree of marketing flexibility and financial incentives to publish new titles. It is hoped that our staff and trade unions now have a greater understanding of these facts.

**PROVINCIAL NEWSPAPERS**  
Earnings of provincial newspapers were maintained although only a small improvement was discernible in advertising

Associated Newspapers Group Limited, Carmelite House, London, E.C.4.

**SIMCO MONEY FUNDS**  
Saturn Investment Management Co. Ltd.

Rates for deposits of £1,000 and upwards for w/e 17.7.77	5 p.a.
1-Month Fund	6.775
3-Month Fund	6.785
6-Month Fund	6.795
12-Month Fund	6.805
18-Month Fund	6.815
24-Month Fund	6.825
30-Month Fund	6.835
36-Month Fund	6.845
42-Month Fund	6.855
48-Month Fund	6.865
54-Month Fund	6.875
60-Month Fund	6.885
66-Month Fund	6.895
72-Month Fund	6.905
78-Month Fund	6.915
84-Month Fund	6.925
90-Month Fund	6.935
96-Month Fund	6.945
102-Month Fund	6.955
108-Month Fund	6.965
114-Month Fund	6.975
120-Month Fund	6.985
126-Month Fund	6.995
132-Month Fund	7.005
138-Month Fund	7.015
144-Month Fund	7.025
150-Month Fund	7.035
156-Month Fund	7.045
162-Month Fund	7.055
168-Month Fund	7.065
174-Month Fund	7.075
180-Month Fund	7.085
186-Month Fund	7.095
192-Month Fund	7.105
198-Month Fund	7.115
204-Month Fund	7.125

Employees feel 'making'

Ending dividends 'metable'

The convenience of readers the dates when some of the important company dividend statements may be expected in a few weeks are given in the following table.

Table with columns: Date, Dividend, Company Name, and Dividend Amount.

Public Works Loan Board rates

Table showing Public Works Loan Board rates for various terms and interest rates.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for stock name, price, and yield.

"RIGHTS" OFFERS

Table listing rights offers for various companies, including company name and offer details.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions.

INTERNATIONAL COMPANY NEWS

IBM accelerates earnings growth in second quarter

HAVING disappointed analysts year was \$1.23bn, against start to 1977 and timber and wood products' demand continues strong.

Rising Crown Zellerbach

Net earnings of the world computer giant rose by 11 per cent, to \$655m, in the second quarter of 1977. This compares with a gain of just over 5 per cent in the first quarter.

Comfin's liquidity

COMFIN Australia, the Brisbane-based financier which is the subject of a wind-up petition in the Brisbane supreme court, has said that it is experiencing short-term liquidity problems.

Zausner voting on merger

ZALNER Foods Corp. has called a special meeting of shareholders for August 4 to vote on the merger with Bongrain Foods Corp. an affiliate of Groupo Bongrain S.A. of Versailles in France for \$15 per share in cash.

Stuart Shelf

The Selection Trust story emanating from Perth concerns the group's exploration of the Stuart Shelf area of South Australia where the geological set-up of sedimentary rock formations has aroused interest because of its similarity to that of the Zambian copper belt.

Rescue operation

That Canada's Northgate Exploration would be gobbled up one of these days owing to its fat wallet (\$62m or \$15.3m at the last count) is a theory that has often been put forward in the column. Last week evasive action was taken by a deal whereby the associated Tara company is taking over Northgate shares at \$0.75 a share to give it a 22 per cent stake therein.

Advertising campaign likely to cost in excess of £2m.

LAST WEEK saw the start of a new insurance advertising campaign which is scheduled to continue for four months, ending about mid-November.

Oxfam's income slips £225,000

OXFAM's income for 1976-77 was some £225,000 lower than the previous year, Mr. Hugh Belslaw, finance director, told the annual meeting in Oxford at the week-end.

Allotments could cut food bill

MILLIONS of pounds could be saved on Britain's food import bill if local authorities would provide allotments they are being asked for, it was claimed yesterday.

MINING NOTEBOOK

Gold, Seltrust and the Northgate riddle

THERE IS plenty to talk about this week. The gold price is behaving well; the South African producers' June quarterly reports are due; tin is still rising; Northgate Exploration is attempting to keep its momentum cash in friendly hands; and there are rumours in Australia about the possibility of yet another base-metal find by the busy Selection Trust group.

The South African gold quarterlies should certainly make a more encouraging showing. Mill tonnage should be up as a result of the more comfortable labour situation. A higher gold price will have varied from mine to mine but should be upwards of \$140 an ounce compared with an average of \$129 in the March period and \$122 in the December quarter.

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Duke's Award entrants up

THE WORLDWIDE number of conservation group said that its research showed that there were 20,000 acres of derelict land in the United Kingdom alone.

London tea sales

At the tea sale held in London last week, the price of the average price of 18.15p per kilo compared with 19.07p at the previous sale and against 19.07p a year ago. Flat tea was quoted at 12.5p.

LOCAL AUTHORITY BOND TABLE

Table listing local authority bonds with columns for authority name, interest rate, and maturity date.

OVERSEAS MARKETS

BY MARY CAMPBELL

Subdued close to a week of clear strength

THE DOLLAR sectors of the market ended last week on a subdued note with the volume of paper on offer standing at below \$30m. and only one new issue, \$40m. for Telefonos Mexicanos, due to be announced over the week-end.

(The issue had already been increased from \$40m. to \$50m. the previous week). Hydro Quebec was increased from \$100m. to the final \$125m., while Fisons, which closes today, saw a cut in the indicated coupon from 9 to 8 1/2 per cent.

Of the issues which started trading last week, Fiat (an exception to the general trend in that its terms were not changed) traded firmly between 98 1/2 and 99, while Selection Trust, even after falling back a bit in early trading on Friday, closed around 98 1/2.

On the face of it, there is no question but that all sectors of the market (except Canadian dollars) are currently looking strong or very strong. There was reportedly less demand for U.S. dollar bonds in the secondary market last week than had been the case the week before, but the market was by no means inactive and prices hardly fell.

Moreover demand for the new issues which closed were clearly substantial - most had their terms changed in the course of the offering period and all opened steadily in the after-market.

Thus, Selection Trust's final coupon of 8 1/2 per cent marked one, of temporary significance a quarter point cut from the 9 per cent, originally indicated on holiday earlier and for longer than usual this year.

The preponderance of British, Italian and less developed country names on the list of current issues in the table would have been difficult to imagine even a few months back.

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BONDTRADE INDEX

Table with columns: July 15, July 8, High, Low. Values: Medium term 102.86, Long term 96.15, Convertible 111.09.

Table with columns: July 15, July 8, High, Low. Values: Medium term 102.87, Long term 96.06, Convertible 111.16.

Table with columns: July 15, July 8, High, Low. Values: Medium term 102.89, Long term 96.15, Convertible 111.16.

Table with columns: July 15, July 8, High, Low. Values: Medium term 102.89, Long term 96.15, Convertible 111.16.

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Indices

NEW YORK - DOW JONES

Table with columns: July 15, July 12, July 8, July 7, High, Low. Values: Industrial 305.95, High 306.41, Low 305.49.

MONTREAL

Table with columns: July 15, July 12, July 8, July 7, High, Low. Values: Industrial 180.10, High 180.88, Low 179.85.

TORONTO

Table with columns: July 15, July 12, July 8, July 7, High, Low. Values: Industrial 180.10, High 180.88, Low 179.85.

JOHANNESBURG

Table with columns: July 15, July 12, July 8, July 7, High, Low. Values: Industrial 180.10, High 180.88, Low 179.85.

GERMANY

Table with columns: July 15, July 12, July 8, July 7, High, Low. Values: Industrial 180.10, High 180.88, Low 179.85.

JOHANNESBURG MINES

Table with columns: July 15, July 12, July 8, July 7, High, Low. Values: Industrial 180.10, High 180.88, Low 179.85.

AUSTRALIA

Table with columns: July 15, July 12, July 8, July 7, High, Low. Values: Industrial 180.10, High 180.88, Low 179.85.

PARIS

Table with columns: July 15, July 12, July 8, July 7, High, Low. Values: Industrial 180.10, High 180.88, Low 179.85.

STANDARD AND POORS

Table with columns: July 15, July 12, July 8, July 7, High, Low. Values: Industrial 118.85, High 119.21, Low 118.49.

NEW YORK

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OVERSEAS SHARE INFORMATION

NEW YORK

Large table listing various international stocks with columns for 1977, 1976, 1975, 1974, High, Low, Stock, and Price.

NEW YORK

Large table listing various international stocks with columns for 1977, 1976, 1975, 1974, High, Low, Stock, and Price.

NEW YORK

Large table listing various international stocks with columns for 1977, 1976, 1975, 1974, High, Low, Stock, and Price.

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CURRENT EUROBOND ISSUES

Table listing current Eurobond issues with columns: Borrowers, Amount, Maturity, Coupon, Price, Lead manager.

\* Not yet priced. † Final terms. ‡ Convertible. § Minimum. ¶ Purchase fund.

AMSTERDAM

Table listing Amsterdam stock market data with columns: Price, Div. Yld., %.

COPENHAGEN

Table listing Copenhagen stock market data with columns: Price, Div. Yld., %.

BRUSSELS/LUXEMBOURG

Table listing Brussels/Luxembourg stock market data with columns: Price, Div. Yld., %.

STOCKHOLM

Table listing Stockholm stock market data with columns: Price, Div. Yld., %.

MILAN

Table listing Milan stock market data with columns: Price, Div. Yld., %.

TEL AVIV

Table listing Tel Aviv stock market data with columns: Price, Div. Yld., %.

OSLO

Table listing Oslo stock market data with columns: Price, Div. Yld., %.

SWITZERLAND

Table listing Switzerland stock market data with columns: Price, Div. Yld., %.

SPAIN

Table listing Spain stock market data with columns: Price, Div. Yld., %.

NOTES: Overseas prices exclude premium. Selling dividends are... \* UK denoms. unless otherwise stated. † Praxid denoms. unless otherwise stated. ‡ Yen denoms. unless otherwise stated. § Price in... ¶ Dividend yield... \*\* Dividend yield... \*\*\* Dividend yield... \*\*\*\* Dividend yield... \*\*\*\*\* Dividend yield...



# Businessman's Diary

## U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	British Genius Exhibition (cl. Oct. 30)	Battersea Park S.W.11
Current	Silver Jubilee Exhibition (cl. Sept. 4)	Hyde Park, W.1
Current	Lighting Exhibition (cl. July 21)	Leeds
Current	Harrogate Gift Fair (cl. July 21)	Harrogate
July 19-21	Royal Welsh Show	Builth Wells
July 19-21	East of England Agricultural Show	Peterborough
July 24-31	Cycling and International Cycle Show	Harrogate
July 25-30	Brighton Antiques Fair	Brighton
Aug. 4-20	Birmingham Int. Ideal Home Show	Nat. Exbn. Centre, B'ham.
Aug. 14-18	British Musical Instrument Trade Fair	Bloomsbury Centre Hotel
Aug. 14-18	International Gifts Fair	Olympia
Aug. 22-25	Construction Plant & Commercial Transport Exbn.	Belfast
Aug. 22-25	Education & Communication Technology Exbn.	Holland Park School
Aug. 27-Sept. 3	Motor Cycle Exhibition	Baris Court

## OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
July 25-30	International Engineering Exhibition	Melbourne
Aug. 19-28	International Trade Fair	Malaga
Aug. 21-23	International Men's Fashion Week	Cologne
Aug. 26-29	International Horticultural Fair	Ghent
Aug. 28-Sept. 4	International Radio and TV Exhibition	Berlin
Aug. 29-31	International Fair	Frankfurt
Aug. 29-Sept. 2	International Packaging & Food Processing Exbn.	Johannesburg

## BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
July 20	AMR International: Export Finance in Foreign Currencies	Intercontinental Hotel, W.1
July 21	Institute of Marketing: Integration of Sales and Planning	Royal Lancaster Hotel, W.2
July 21	Economic Models: U.K. Chemical Industry Forecasts	30, Old Queen St., S.W.1
July 24-29	Fifth Commonwealth Law Conference	Edinburgh University
July 25-26	World Trade Institute: Assimilating Stress Tension	World Trade Centre, E.1
July 25-29	Coverdale: Practice of Management Principles	Brookhurst, Hants.
July 27	British Institute of Management: Employee Participation and the Disclosure of Information	Parker St., W.C.2
July 27	Brunei University: Motivation at Work	Uxbridge, 68, Churchway, N.W.1
Aug. 8-12	Abraxas: Synetics—Innovative Skills	Holiday Inn Hotel, N.W.3
Aug. 9-11	Marketing Improvements: Finance for Marketing Management	Melton Mowbray
Aug. 15	Production Engineering Research Association: Management Techniques	Melton Mowbray

All of these Securities have been sold. This announcement appears as a matter of record only.

# \$40,000,000

# DSM

(Naamloze Vennootschap DSM)

A corporation wholly-owned by the State of The Netherlands

### 8¼% Debentures Due 1987

#### AMSTERDAM-ROTTERDAM BANK N.V.

#### MORGAN STANLEY INTERNATIONAL

ABU DHABI INVESTMENT CO.	ALAHLI BANK OF KUWAIT (K.S.C.)	ALGEMENE BANK NEDERLAND N.V.
A. E. AMES & CO.	AMEX BANK	ARNHOLD AND S. BLEICHOEDER INC.
BANCA COMMERCIALE ITALIANA	BANCA DEL GOTTARDO	BANCA NAZIONALE DEL LAVORO
BANCO DI ROMA	BANK JULIUS BAER INTERNATIONAL	THE BANK OF BERMUDA
BANK GUTZWILLER, KURZ, BUNGENER (OVERSEAS)	BANK LEU INTERNATIONAL LTD.	BANK MEES & HOPE NV
BANK MORGAN LABOUCHERE N.V.		BANKERS TRUST INTERNATIONAL
BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (B.A.I.)		BANQUE BRUXELLES LAMBERT S.A.
BANQUE FRANCAISE DU COMMERCE EXTERIEUR		BANQUE GENERALE DU LUXEMBOURG S.A.
BANQUE DE L'INDOCHINE ET DE SUEZ		BANQUE INTERNATIONALE A LUXEMBOURG S.A.
BANQUE NATIONALE DE PARIS		BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLET
BANQUE DE PARIS ET DES PAYS-BAS		BANQUE DE PARIS ET DES PAYS-BAS (SUISSE) S.A.
BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG		BANQUE ROTHSCHILD
BARCLAYS BANK INTERNATIONAL	BARING BROTHERS & CO.	H. ALBERT DE BARY & CO. N.V.
BAYERISCHE VEREINSBANK	BERGEN BANK	BERLINER HANDELS- UND FRANKFURTER BANK
BREISACH PINNSCHOF SCHOELLER		BROWN HARRIMAN & INTERNATIONAL BANKS LTD.
CAISSE DES DEPOTS ET CONSIGNATIONS	CAZENOVE & CO.	CENTRALE RABOBANK
CHRISTIANIA BANK OG KREDITKASSE	CITICORP INTERNATIONAL GROUP	COMMERCZ BANK
COMPAGNIE DE BANQUE ET D'INVESTISSEMENTS (UNDERWRITERS) S.A.		COUNTY BANK
CREDIT COMMERCIAL DE FRANCE		CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE
CREDIT INDUSTRIEL ET COMMERCIAL	CREDIT LYONNAIS	CREDIT DU NORD
CREDITANSTALT-BANKVEREIN	CREDITO ITALIANO	DAIWA EUROPE N.V.
DEN DANSKE BANK	DEN NORSKE CREDITBANK	DEUTSCHE BANK
DEWAAL & ASSOCIATES INTERNATIONAL S.C.S.	DOMINION SECURITIES	DRESNER BANK
EFFECTENBANK-WARBURG	EUROBILIARE S.A.	EUROPEAN BANKING COMPANY
FINACOR	COMPAGNIA EUROPEA INTERBILIARE	ROBERT FLEMING & CO.
GIOCENTRALE UND BANK DER OSTERREICHISCHEN SPARKASSE	FIRST BOSTON (EUROPE)	GOLDMAN SACHS INTERNATIONAL CORP.
HAMBROS BANK	HENTSCH & CO INTERNATIONAL	HESSISCHE LANDESBANK
HILL SAMUEL & CO.	E. F. HUTTON & CO. N.V.	IBJ INTERNATIONAL
ISTITUTO BANCARIO SAN PAOLO DI TORINO		JARDINE FLEMING & COMPANY
KIDDER, PEABODY INTERNATIONAL	KJØBENHAVNS HANDELSBANK	KLEINWORT, BENSON
KREDITBANK N.V.	KREDITBANK S.A. LUXEMBOURGEOISE	KUHN, LOEB & CO. INTERNATIONAL
KUWAIT FINANCIAL CENTRE (S.A.K.)		KUWAIT FOREIGN TRADING CONTRACTING & INVESTMENT CO. (S.A.K.)
KUWAIT INTERNATIONAL FINANCE COMPANY S.A.K. "KIFCO"		KUWAIT INTERNATIONAL INVESTMENT CO. S.A.K.
KUWAIT INVESTMENT COMPANY (S.A.K.)		EVANLANSCROT
LAZARD FRERES ET CIE	LEHMAN BROTHERS	LAZARD BROTHERS & CO.
MERRILL LYNCH INTERNATIONAL & CO.	B. METZLER SEEL, SOHN & CO.	LOYDS BANK INTERNATIONAL MANUFACTURERS HANOVER
SAMUEL MONTAGU & CO.	MORGAN GRENFELL & CO.	MITSUBISHI BANK (EUROPE) S.A.
NEDERLANDSE CREDITBANK N.V.	NEUE BANK	NEDERLANDSCHE MIDDENSTANDSBANK N.V.
NOMURA EUROPE N.V.	NORDEUTSCHE LANDESBANK	THE NIKKO SECURITIES CO. (EUROPE) LTD.
ORION BANK	PETERBROECK, VAN CAMPENHOUT, KEMPEN S.A.	SAL. OPPENHEIM JR. & CIE.
PIERSON, HELDRING & PIERSON N.V.	PKBANKEN	PICTET INTERNATIONAL
ROYE & PITMAN, HURST-BROWN	S. LOMON BROTHERS INTERNATIONAL	N.M. ROTHSCHILD & SONS
SKANDINAVISKA ENSKILDA BANKEN	N.V. SLAVENBURG'S BANK	J. HENRY SCHROEDER WAGG & CO.
SOCIETE GENERALE	SOCIETE GENERALE DE BANQUE S.A.	SMITH BARNEY, HARRIS UPHAM & CO.
STRAUSS, TURNBULL & CO.	SUMITOMO FINANCE INTERNATIONAL	SOGEN-SWISS INTERNATIONAL CORPORATION
SWISS BANK CORPORATION (OVERSEAS)		SVENSKA HANDELSBANKEN
UNION BANK OF SWITZERLAND (SECURITIES)		TRINKAUS & BURKHARDT
VEREINS- UND WESTBANK	J. VONTOBEL & CO.	UNITED OVERSEAS BANK S.A. GENEVA
WESTDEUTSCHE LANDESBANK	WOOD GUNDT	S.G. WARBURG & CO. LTD.
GIROCENTRALE		WARDLEY
		YAMAICHI INTERNATIONAL (EUROPE)

July 18, 1977.

# This week in Parliament

**TO-DAY**  
Commons—Supply day debate on EEC affairs and motions on energy, the Community Budget and "European Regional Development Fund. Motion on Police (Amendment) (No. 2) Regulations.  
Lords—Price Commission Bill, report stage and third reading. Coal Industry Bill, committee stage. Debate on preliminary draft 1978 EEC Budget.  
Select Committees—Procedure Committee. Subject: The Select Committee Structure. Witness: Sir John Eden, MP. Room 15, 6.45 p.m.

**TO-MORROW**  
Commons—Debate on problems of large towns and cities. Motions on Northern Ireland Orders on preferential payments in insolvency, legal aid, advice and assistance and criminal damage (compensation).  
Lords—Employment Protection Bill, remaining stages. Torts (Interference of Goods) Bill, remaining stages. Control of Office Development Bill, remaining stages. Local Authorities (Restoration of Work Powers) Bill, committee stage.

**WEDNESDAY**  
Commons—Debate on counter-inflation. Price Commission Bill and Water Charges Equalisation Bill, consideration of Lords amendments.  
Lords—Debate on the economic situation.  
Select Committees—Nationalised Industries, Sub-committee C. Subject: Regional Water Authorities. Witness: Wessex Water Authority, Room 8, 4 p.m.

**THURSDAY**  
Commons—Finance Bill, continuation of report stage.  
Lords—British Linen Bank Order Confirmation Bill, remaining stages. Criminal Law Bill, Commons amendments.  
Post Office Bill, remaining stages. Northern Ireland Emergency Provisions (Amendment) Bill, remaining stages.  
Debate on the Bermuda Agreement.  
Select Committees—Race Relations and Immigration. Subject: Government assumptions about potential immigration. Witnesses: Home Office officials. Room 15, 4 p.m.

**FRIDAY**  
Commons—Patents Bill (Lords) and Administration of Justice Bill (Lords), report and third reading. Northern Ireland (Emergency Provisions) Bill (Lords) and Employment Protection Bill (Lords), second reading. Protection from Eviction Bill (Lords), Rent Bill (Lords), remaining stages. Motion on Iron and Steel (Borrowing Powers) Order.  
Lords—Price Commission Bill, Commons message. Housing Homeless Persons Bill, committee. Amendment of the Hops Marketing Scheme. Family Incomes Supplement Regulation. Three Weights and Measures Acts Orders. Three Social Security Regulations.

## APPOINTMENTS

### Changes among Hambro Life executives

Mr. M. S. Lipworth, at present corporate, legal and property director, has been appointed deputy managing director of HAMBRO LIFE ASSURANCE. Mr. A. P. Letich, Mr. M. F. Murray and Mr. D. F. A. Pell have been made executive directors. Mr. L. W. Bleknap, Mr. C. V. D. Davies, Mr. A. McColville, Mr. W. J. T. Ross and Mr. S. Myers have become area directors.

Mr. Jonathan S. Linn has been appointed regional vice-president, U.K. and Ireland, Germany, Austria and Switzerland, of AMERICAN EXPRESS, following reorganisation of the company's retail travel division. His previous responsibilities covered the U.K. and Ireland only. Mr. Ken Fleming has been made director, retail travel U.K. from director, retail travel, London area.

Sir Geoffrey Wilson, a former Permanent Secretary in the Ministry for Overseas Development, has become chairman of OXFAM in succession to Mr. Michael Rowntree, who has completed his constitutional term of six years in that post.

Mr. H. B. Greenborough, deputy chairman and managing director, Shell U.K. has been appointed chairman of the governing body of ASHRIDGE MANAGEMENT COLLEGE. He succeeds Sir Ralph Bateman, who becomes vice-president of the College.

Mr. Samio Fulsheri, managing director of NOMURA EUROPE N.V. and general manager of the London office, will return to Japan in August to take up a new post as general manager of the international investment department. Mr. Fulsheri's successor will be Mr. Masaki Kurokawa, currently senior vice-president of Nomura Securities Inc., New York.

Mr. Alexander S. Reid has been appointed to the Board of ENGLISH AND INTERNATIONAL TRUST, a company managed by Drayton Montagu Portfolio Management.

Mr. D. C. Bates and Mr. J. A. Clare have been appointed directors of GLANVILLE ENTROPVEN & CO. (UNDERWRITING), part of the Clearhouse Group.

Mr. R. H. Watson, at present an executive local director of Barclays Bank London Northern District, has been appointed an executive director of BARCLAYS MERCHANT BANK.

Sir Andrew Maitland-Walkill-Crichton has joined the Board of STAPLEX INTERNATIONAL as a non-executive director.

BRITISH INSTITUTE OF MANAGEMENT City Branch, has made the following appointments for 1977/78. Chairman: Mr. Michael Cliphams (senior executive, Midland Bank), vice-chairman: Mr. Peter Paul-Buhne (chairman, Traffic Safety Systems), hon. secretary: Mr. John Neilson (Clerk to the Governors, Cripplegate Foundation); hon. treasurer: Mr. Reg Cook (Group financial director, Proprietors of Hay's Wharf). President of the Branch is Mr. Robert Fell, chief executive of the Stock Exchange, the previous chairman, Mr. H. H. Rath, remains a Committee member.

Mr. S. C. Mountjoy (L. M. Fison & Co.) has been appointed president of the FEDERATION OF OILS, SEEDS AND FATS ASSOCIATIONS. Mr. W. R. Pick (E. G. Cornelius & Co.) has been made vice-president, and Mr. J. E. Anderson (Crispa Produce Marketing Board) has become honorary treasurer.

Mr. Peter Fenimore has been appointed commercial director, WYETH LABORATORIES. Fenimore joined the company in 1958.

Braby Leslie, which recently acquired the whole of the issued share capital of E. C. PAYTER AND COMPANY has announced four additions to that company's local Board. They are Mr. A. E. Atkinson (chief executive, Braby Leslie), Mr. H. Pilkington (director, Braby Leslie), Mr. E. H. York (secretary, E. C. Payter & Company) and Mr. D. C. Hale (sales manager, E. C. Payter & Company).

Mr. John E. Colman, chairman of the Colman Group, has been elected second vice-president of the AGRICULTURAL ENGINEERS ASSOCIATION.

Following its acquisition by Harbary, the following Board changes have been made at W. B. J. ENGINEERING. Mr. W. Blackwell Senior, Mr. W. Blackwell Junior and Mr. J. Howat have left W.B.J. the Board of which now comprises Mr. E. Bor (chairman), Mr. E. Stott, Mr. L. J. Goldberg and Mrs. E. Paul.

BROWN SHIPLEY INSURANCE SERVICES has been organised into the following divisions under the Executive Committee (chairman: Mr. R. Ames), each division having its own Management Committee: U.K. and Europe Division: Mr. A. C. Yeo (chairman), Mr. P. J. Blake, Mr. M. T. Carrawell, Mr. A. C. D. Ingleby-Mackenzie, Mr. D. G. McIntosh, Mr. P. G. Ray and Mr. A. G. Robson. Marine and International Division: Mr. D. C. McIntosh (chairman), Mr. J. G. Chaplain, Mr. G. A. Clark, Mr. A. C. D. Ingleby-Mackenzie, Mr. E. A. Rudland, Mr. R. W. Thewer, Mr. A. C. Yeo. Underwriting Division: Mr. J. G. Chaplain (chairman), Mr. E. W. Andrew, Mr. A. C. Yeo. Services Division: Mr. A. G. Robson (chairman), Mr. J. G. Chaplain, Mr. A. D. Edwards, Mr. D. C. McIntosh, Mr. J. Manning.

Mr. Tony Goodman has been appointed marketing director of JOHNSON AND SONS. Mr. Goodman was previously with B. and M. Rayne as merchandise manager.



**UNION BANK**

Is pleased to announce that its European Representative Office has moved to new premises:-

1 College Hill  
London, EC4R 2RA  
Telephone: 01-248 6791  
Telex: 8811321

**INVEST IN 50,000 BETTER TOMORROWS**

50,000 people in the United Kingdom suffer from progressive paralyzing MULTIPLE SCLEROSIS—the cause and cure which are still unknown—HELP US BRING THEM RELIEF AND HOPE.

We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Please help—Send a donation today to:  
Room F.I.  
The Multiple Sclerosis Society of G.B. and N.I.  
4 Tachbrook Street,  
London SW1 1SJ

The growing strength of

# HOGG ROBINSON

Results year ending 31 March	1977	1976
Turnover	24,544	18,747
Being:		
Insurance Broking: United Kingdom	13,396	10,661
Overseas Subsidiaries	5,300	3,997
Lloyd's Underwriting Agencies	1,598	1,240
Shipping, Forwarding & Travel Agencies	4,250	2,849
Profit Before Taxation	8,064	5,933
Being:		
Insurance Broking	3,785	2,794
Lloyd's Underwriting Agencies	1,314	1,000
Shipping, Forwarding & Travel Agencies	296	157
* Investment Income and Profits on Sales	1,873	1,357
Share of Associated Companies	591	390
Exchange Gains on Consolidation	205	235
Profit Attributable to Shareholders	3,993	3,065
After deduction of:		
Taxation	3,802	2,850
Minority Interests	269	237
Extraordinary Profits		(219)
Dividends	1,244	676
Retained Earnings	2,749	2,389
Earnings Per Share	18.28p	13.85p
Dividends Per Share	5.525p	3.38p

**36% PRE-TAX PROFIT GROWTH**

Commenting on the results, the Group Chairman and Chief Executive, Mr. Morris Abbott, said:

"This is the sixth consecutive year of earnings growth with pre-tax profits increasing this year by 36 per cent. A significant feature of our performance was that all parts of the Group contributed through increased business and by reducing expense ratios. Some 55 per cent of our broking income was received in foreign currencies and, whilst the greatest profit growth has come from our international and overseas operations, United Kingdom Companies also have achieved excellent results. Underwriting Agencies have made a worthwhile contribution, particularly as the 1974 account in general produced poor underwriting results. Our travel and freight operations have almost doubled their profits, partly as a result of our increased investment in this area."



The Board is recommending a final dividend of 2.275p net per share, which with the interim dividend paid in March makes a total of 5.525p.

**HOGG ROBINSON**

Hogg Robinson Group Ltd, Lloyds Chambers, 9-13 Crutched Friars, London EC3N 2JS. Tel: 01-709 0575  
Telex: 884680

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office

THEATRES section listing various plays and performances across different venues like Criterion, Old Vic, and West End.

Commercial WEEK'S FINANCIAL DIARY section containing financial news, company meetings, and market analysis.

Fläkt advertisement featuring an annual report highlights table and promotional text for air handling and pollution control systems.

Australian Mining & Smelting Limited advertisement for 9 1/4% Debentures Due 1992, listing various international banks and financial institutions.



Handwritten Arabic text at the top right of the page.

INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian.

PROPERTY—Continued

Table of property stocks including companies like Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian.

TRUSTS—Continued

Table of trust stocks including companies like Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian.

TRUSTS—Continued

Table of trust stocks including companies like Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian, Anglo-Siam, Anglo-Tex, Anglo-Thai, Anglo-Indo, Anglo-Persian.

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MINES—Continued table listing various mining companies and their financial data.

OVERSEAS TRADERS table listing international trading companies.

TEAS table listing tea companies and their products.

INDIA AND BANGLADESH table listing companies from these regions.

MINES table listing mining companies.

FAR WEST table listing companies from the far west region.

O.F.S. table listing Overseas Financial Services.

FINANCE table listing financial institutions and services.

Regional Markets section with a list of stock prices for various regional markets.

Options 3-month Call rates section with a list of call option rates.

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## Palestinian groups clash again

BY IHSAN HIJAZI

RIVAL PALESTINIAN guerrilla groups fought with machine-guns and grenades for 11 hours to-day in refugee camps south-west of Beirut. The sound of explosions and the clatter of automatic weapons echoed through the camps as Syrian-backed Salqa guerrillas clashed with members of the radical Iraqi-backed "Rejection Front".

The number of casualties from the fighting, which mostly took place in the main Sabra camp, was not known precisely to-night but Lebanese security sources said that 12 guerrillas may have been killed and 20 wounded. It is thought that several civilians may also have been wounded.

The fighting comes as Syrian-initiated talks between the Lebanese and the main Palestinian umbrella organisation, the PLO Liberation Organisation (PLO), are taking place to relax tensions and stop the fighting in South Lebanon.

Spasmodic fighting between Christian right-wing forces, allegedly supported by the Israelis, and Palestinian groups has been going on there since last year. The PLO high command under Mr. Yasser Arafat was meeting in emergency session to-night.

Residents of areas surrounding the Sabra camp were to-day reliving the familiar scenario of picking up a few belongings and fleeing to safer areas, as shells and mortar bombs fell on areas outside the camp which has a population of 25,000.

Syrian troops of the Arab League peace-keeping force were mobilised to keep the clashes from spilling outside. They also guarded the road to the airport, not far from the scene of the fighting, which, however, remained open. Traffic to and from it was diverted to alternative roads.

The fresh burst of inter-guerrilla fighting, which observers have been predicting, came only 24 hours after Mr. Zuhair Mohsin the Salqa leader, had threatened that Syrian troops would storm the camp if the "Rejectionists" continued to provoke his organisation.

Usually reliable sources see the clashes in the context of the Syrian opposition to Syria and Iraq. This has gained momentum recently following allegations by Damascus, that the Baghdad regime is behind the wave of terror in Syria, including explosions in Damascus last week.

Last night, Mr. Ahmed Hassan al-Bakr, the Iraqi President, emphasised that his Government would continue its policy of "resolute struggle" and would maintain its support for the "rejectionists".

The "rejectionists" are strictly opposed to a peace settlement with Israel. President Bakr, who spoke in a national address marking the anniversary of the 1958 revolution which overthrew and killed the king, strongly condemned Arab regimes seeking a peaceful solution of the conflict with Israel.

Syria has been active in trying to arrange a ceasefire and relaxation of tensions and pave the way for a "national detente" between Christians and Moslems.

Mr. Fuad Butros, the Lebanese Foreign Minister, returned home last night from Syria after two days of talks with leaders there, including President Hafez Assad. He expressed optimism that positive moves will soon be announced to end the tensions near the border area with Israel.

## Committee to examine share deals

By Keith Lewis, City Staff

THE STOCK Exchange has set up a committee to investigate dealings in shares of at least eight companies where it is considered there has been unusual price activity.

The companies in question are: B.P.M., Swan Ryan, Consolidated Plantations warrants, Knott Mills, U.U. Textiles, Wearwell, Amalgamated Distilled Products and Ecknall Trust, though more companies may emerge as the investigation progresses.

The inquiry comes at a time when the City and the Stock Exchange in particular, is at great pains to stamp out abuses in the system, such as price-rigging and insider trading.

Under particularly close scrutiny is the market practice of arranging "put throughs". This is where two parties agree on a price at which one will sell a line of shares to the other and a stockbroker then sees that the stock passes through the books of a willing jobber who takes a commission.

The abuse is understood to arise where buying or selling pressure, usually in an unusual, kebab share, is used to artificially price before the "put through" is done.

Creating a false market in this way, which is against the rules of the Stock Exchange, is not new. All bargains transacted on a "put through" basis have to be marked as such in the Stock Exchange Official List with a symbol and footnote which explains that the deal was done at a special price.

No time limit has been set for the inquiry, which began about two weeks ago. It is thought likely that fund managers as well as stockbrokers and jobbers will be involved.

## Weather

**U.K. TO-DAY**  
GENERALLY cool with outbreaks of sun.  
London, S.E. Cent. S. and S.W. England, E. Anglia, Channel Is. Rather cloudy, some outbreaks of rain, brighter later. Wind W. fresh or strong. Max. 18C (64F). Midlands, E. N.E. and Cent. N. England, some showers developing. Wind W. fresh or strong. Max. 19C (66F). N. Wales, N.W. England, Lake District, Isle of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland, locally heavy. Wind W. fresh or strong. Max. 17C (63F). Borders, Edinburgh and Dundee, Aberdeen, C. Highlands, Moray, Perth, Fife.  
Firth  
Mainly showery, some sunny intervals. Wind variable. Max. 18C (66F).  
N.W. Scotland  
Showers or longer periods of rain. Wind variable. Max. 15C (59F).  
N.E. Scotland, Orkney, Shetland  
Rain at times, locally heavy. Wind E. moderate. Max. 14C (57F).  
Outlook: Showers or longer periods of rain in most places with sunny intervals.

**BUSINESS CENTRES**

City	Y'day	Today	T'morrow
Amst'dm	S 19 66	Madrid S 21 62	
Algeria	F 21 66	Manch'ester S 21 62	
Bahra	S 21 66	Melbourne S 11 62	
Bombay	S 24 73	Milan S 24 73	
Buenos	S 24 73	Montreal S 24 73	
Calcutta	S 24 73	Moscow S 24 73	
Canton	S 24 73	New York S 24 73	
Cebu	S 24 73	Osaka S 24 73	
Colon	S 24 73	Paris S 24 73	
Hankow	S 24 73	Rangoon S 24 73	
Hong Kong	S 24 73	San Francisco S 24 73	
Kobe	S 24 73	Singapore S 24 73	
London	S 24 73	Tokyo S 24 73	
Lyons	S 24 73	Winnipeg S 24 73	
Manila	S 24 73		
Medan	S 24 73		
Perth	S 24 73		
Port of Spain	S 24 73		
Rangoon	S 24 73		
San Francisco	S 24 73		
Singapore	S 24 73		
Tokyo	S 24 73		
Winnipeg	S 24 73		
Yokohama	S 24 73		

## Chrysler revives Sunbeam name for State-backed new hatchback

BY TERRY DODSWORTH AND ARTHUR SMITH

CHRYSLER U.K.'s bid to fight back to profitability takes a big step forward today with the unveiling of a small three-door hatchback model. This is the first of the promised new range to be developed with the help of Government funds.

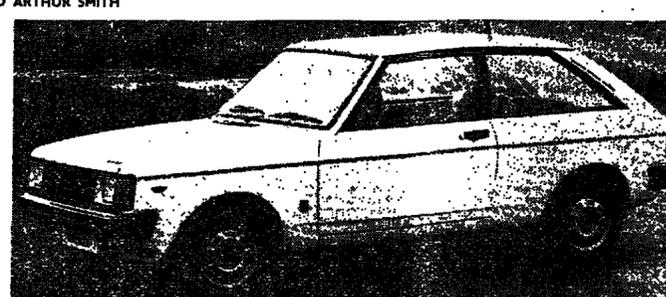
The new car, which revives the Sunbeam name, goes into production at the Linwood plant in Scotland after the summer break next month, and is due on the market in October.

The launch takes place against a background of continuing losses in the Government-backed company. Figures are expected within the next few weeks showing a deficit of about £4m. for the second quarter of this year.

The loss, which follows the £8.2m. deficit for the first three months in the market, is a sharp increase in the third quarter as the Sunbeam's launch costs filter through. But in the final quarter Chrysler is hoping to recoup many of its extra expenses to emerge with only a modest deficit for the year.

Chrysler is clearly pinning a lot of its hopes for success on the Sunbeam. The car, 12 foot 6 inches long, is designed to compete in the market for small family vehicles. This probably accounts for over 30 per cent. of all sales in Western Europe.

Although this sector is already well covered by domestic models such as the Ford Escort, Leyland Allegro and Vauxhall's Chevette it imports like the Volkswagen Golf and Renault 14, the history



The Sunbeam, a three-door hatchback, goes on the market in October, with a choice of three engines.

of the past few years has shown that there is a considerable demand for vehicles with the hatchback configuration. Chrysler clearly intends that this will give the Sunbeam a different market appeal to the Avenger, which is only about one foot longer.

Three engine options are being offered: a 930 c.c. light alloy unit derived from the Imp engine, and 1300 and 1600 c.c. units in the current Avenger. The rear seat can be folded flat in two halves so that the car can take a rear passenger while half the seat is converted to storage space.

The launch is about 6 months later than originally envisaged by the Government plan for

Chrysler's rescue. Nevertheless the car has been produced very swiftly, only 18 months after the rescue although there was design work in hand before the Government's intervention.

**Sales down**  
The most recent sales figures show that Chrysler has a serious need for the stimulus which a new model gives. Against a target for an 8.1 per cent. market share this year, the group has achieved only 5.9 per cent. at the half way stage. Its sales in this period, are down more than 5,000 on last year's 40,960 cars.

Within this period Alpine sales have gained but the Imp— which is discontinued — the

Hunter—which has been transferred to Ireland—and even the Avenger—its best selling model, which has not been produced in quantities planned since its transfer from Coventry to Linwood—have all slipped.

Hopes of Chrysler reaching its target for the year now rest on improving Avenger output—currently running at about 2,000 vehicles a week, but planned to go up to 2,700—and the Sunbeam, which should show 1,055 units a week when output starts.

Although Chrysler has not revealed figures, it is likely that the new Sunbeam will have cost more than £50m. to design and develop.

## Liberals may insist on 'break' clause in pact with Labour

BY RICHARD EVANS, LOBBY EDITOR

FOLLOWING THE Government's failure to secure a firm agreement with the trade unions on pay policy, Liberal MPs are now expected to insist on a "break" clause in the next stage of the Lib/Lab pact sustaining Mr. Callaghan's minority administration in office.

Both the Prime Minister and Mr. David Steel, the Liberal leader, would have preferred to see the pact renewed for a full session to give maximum stability to Mr. Callaghan's counter-inflation policy.

But there is now believed to be a majority of the 13 Liberal MPs who would be unwilling to commit the party to such a lengthy agreement because of the danger of a pay explosion.

One Liberal MP in favour of extending the pact said last night that if there were pay agreements in the private sector next year of around 20 per cent, it would be impossible for the Liberals to sustain the Government and they would have no alternative but to withdraw from the pact.

Party tactics will be discussed at a meeting at Westminster on Wednesday before further negotiations between Mr. Callaghan and Mr. Steel on the next phase. But because of the uncertainties caused by the Government's rethink on pay policy there is now little prospect of a conclusion to the talks by the summer recess which starts on July 29.

There have already been some discussions in the party on how a break clause could be inserted into the pact, but no decision has yet been taken. The most likely outcome is a formula that would continue the pact until the Government had clearly lost control over the level of wage settlements.

During the negotiations Mr. Steel and Mr. John Pardoe, economic spokesman, will fully back Ministers' determination to ensure moderate settlements to the public sector by the use of rigid cash limits. They will also call for the active use of prices legislation and public purchasing policy to prevent inflationary settlements in private industry.

Mr. Reg Prentice, Labour MP for Newham N.E., called on Liberals yesterday to continue their pact with the Government on a month-by-month basis. He also warned that he would withdraw his own support from the Government if Ministers failed

to stand up to excessive wage demands.

The considered reaction of Liberals in the Chancellor's economic statement will come to-night when the MPs meet to decide tactics for Wednesday's Commons debate on counter-inflation policy.

As the party is already committed to sustaining the Government for the remainder of the session, Ministers are confident of securing a comfortable majority in what should be the last major Parliamentary test before the autumn.

Ministers have not yet decided whether to table a motion calling for approval of Mr. Healey's statement, in which case the debate will become one of confidence.

The Shadow Cabinet also meets tonight to decide tactics. Mr. Callaghan and Mrs Thatcher are expected to open the debate and Sir Geoffrey Howe, Shadow Chancellor, and Mr. Healey will wind up.

Mr. Thatcher has the difficult task of moving the focus on the Government's policies and the prospects for the economy in the knowledge that the Government is likely to gain a comfortable majority at the end of the evening.

## Dutch leader decision needed

BY MICHAEL VAN OS

QUEEN JULIANA, faced with conflicting advice, will have to make an early decision, probably this week, on how to break the Dutch political stalemate caused by the collapse last Friday of attempts to form a new left-centre coalition Government.

It will be a very difficult decision, constitutionally as well as politically, because the leaders of the four main political parties yesterday gave her differing advice on her best course of action.

The problem arose after seven-week-long negotiations between the two largest Dutch parties, the Labour party and the Christian Democrats, collapsed when the Socialists refused to allow one of their more radical social reform proposals to be watered down. The two parties make up the current caretaker coalition cabinet.

The two parties, of which Labour is the slightly larger and account for 102 of the 150 seats in Parliament as the result of the May General Elections.

The collapse of the talks led by outgoing Premier Mr. Joop den Uyl, whose Labour Party was the victor in the May elections, gives the Queen only two real options.

Her first option would be to appoint one or more political leaders to try and sort out the many remaining differences between the Socialists and the Christian Democrats. Alternatively she could appoint a new "formateur" to explore the possibility of a Christian Democrat-Liberal pact. However, although the two do not stand very far apart politically, such a combination can hardly command a workable Parliamentary majority (77 seats) particularly in view

of the substantial size of the left-wing of the Christian Democrats.

The feeling among political circles in the Hague continues to be that whatever is decided, the Christian Democrats would eventually be forced again to reopen talks with the Labour party.

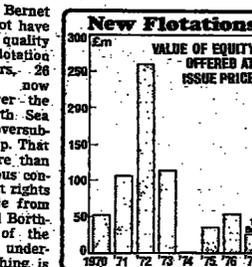
However, substantial concessions will be required on a range of issues, including social reforms, to get a new coalition off the ground, a process that would take a few months yet. The outgoing coalition took nearly six months to get off the ground.

The immediate reason for the collapse of last week's negotiations was the failure to reach agreement on the Labour Party's proposal for an excess profits sharing system, through which workers could gradually build up a stake in company equity.

## THE LEX COLUMN Mixed blessings of a quote

BEIRUT, July 17.

The Sotheby Parke Bernet and LASMO issues cannot have encouraged any but quality companies to dust off flotation plans. The auctioneers, 26 times oversubscribed, now stand 81 per cent. over the issue price. The North Sea oil group, ten times oversubscribed, is 11 per cent. up. That is a lot healthier picture than last July's, when a curious concentration of the NatWest rights issue, and offers for sale from Hambro Life, Molins and Borthwick left nine-tenths of the last two offers with the underwriters. No such bunching is likely to be allowed again. But the criteria for any new issues remain strict.



**Profits requirement**  
The size requirement has raced ahead of many of those companies which missed the 1972-73 queue. Around £1m. pre-tax is the minimum profit requirement, talked of by the former issue specialists, preferably £2m. in a manufacturing group. And a decent profits progression despite recession cuts the field further.

But most of the surviving candidates have dropped out anyway. The disincentives are publicity, probably outweighing the kudos of chairing a public group in most eyes: costs — largely non-tax deductible — which have accelerated to around 10 per cent. of cash raised; and most of all price. Selling 40 per cent. of a business on a prospective p/e of 5 or less looks like either theft or a highly expensive (with the dividend requirement of a public group to be anticipated) way to raise capital.

As far as capital goes, the banks have been helpful enough for the past two years. Private income is, for working owners, best served by the sort of legitimate milk largely disallowed by public status. And into the market for providing private capital for entrepreneurs have come the pension funds, now catching the venture capital bug quite strongly. Apart from answering some moral strings they may feel, the sort of asset growth the funds need is served well by private companies with a much higher level of retention.

To the traditional unquoted security investors, one or two other new faces like the NEB's have also been added. So far smaller family-owned companies, already warned that a quote will not really provide marketability in their shares, the Stock Exchange does not

beckon, and the Council would be hard-pressed to suggest some new lure lying between Section 183 dealing and a full float.

But still left in the ring are the genuinely expansionary groups which need to use capital for acquisitions (as Borthwick's, with the price above the issue level, has been trying to do); and the trading, and borrowing, muscle added by quoted status will also remain for groups with an already wide, possibly institutional shareholding, even if they have to settle (along with Willis Faber) for an introduction rather than an offer.

A further trickle of new issues this year is likely, and any sustained market rise, plus continuation of Capital Transfer Tax, would flush out more offers. But for the moment the balancing wish to go private, not restricted to special cases like Williams Hudson, will continue.

**Going private**  
Providing finance for small quoted companies wishing to revert to unlisted status is, in fact, a minor growth area at present, and is providing an unexpectedly high level of inquiries for financial organisations operating in the small company sector. Thus Finance for Industry is regularly approached on this tack, and last month's annual report of Electra Investment Trust expected opportunities of this kind to arise over the next year or two. If the accountants' suggestions that companies should be reclassified as "public limited" and "proprietary" gain any momentum, further incentives for delisting could be discerned by small companies. But amid all the fashionable concentration on unquoted companies a word of warning product mix is needed for the investing

institutions: beware of merchant banks clearing out stale venture capital portfolios.

**Reyrolle/Clarke**  
The apparent victory by Reyrolle Parsons over GEC in its struggle for the Drax B turbogenerator contract serves to highlight the curious timing of the group's proposal to merge with Clarke Chapman on a 50/50 basis, a deal announced on June 24. Although one order not going to transform Reyrolle's financial prospects, must have sufficient impact to call for a reappraisal of its underlying arithmetic. And will tend to confirm shareholders' suspicions that the merger had its inspiration in North-Eastern politics rather than in any financial or commercial logic.

So far, institutional reaction to the merger proposals has been fairly low key, though M and G sold Mr. Clarke Chapman shares early on. Most shareholders are prepared to wait until the full arguments are set forth in the formal document, which the merchant banks have been aiming to put out some time in the middle of August. Clearly this will have to go into a great deal of detail about the assets and earnings of the different parts of the two groups, in contrast to the recent Reyrolle annual report, which lumped all operations together as being "of one class".

Apart from the highly delicate political background to the merger, the odd feature has been that two sets of advice, 100 should believe that a 50/50 basis is fair when Reyrolle's latest profits were £15.8m. pre-tax (said to be sustainable in the short run) against £8.1m. for Mr. Clarke Chapman. Reyrolle's 50 swingshare and transformer side is highly profitable at the moment, and the shares were being heavily bought in the early part of this year in the expectation of something better than a defensive deal with Mr. Clarke.

From the latter's point of view the merger—assuming the C. A. Parsons will now state indefinitely within the group—will expose it to the still highly uncertain long term prospects of the turbine generator business. However, the June 24 statement, with its talk of "wide diversity" and "complementary fields" was sufficient vague to embrace almost any

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